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NOTICE OF ANNUAL AND SPECIAL MEETING





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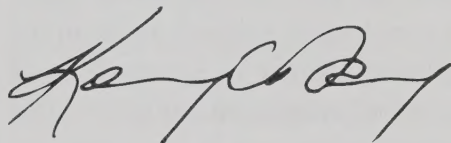
NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of members of BCT.TELUS Communications Inc. (the "Company") will be held on Wednesday, May 3, 2000 at 10:00 a.m. (Pacific Daylight Savings Time), 11:00 a.m. (Mountain Daylight Savings Time) and 1:00 p.m. (Eastern Daylight Savings Time) concurrently at: the Robson Square Conference Centre, 800 Robson Street, Vancouver, British Columbia; the Metropolitan Centre, 333 Fourth Avenue South West, Calgary, Alberta; and the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, for the following purposes:

1. to receive the Company's audited consolidated financial statements for the year ended December 31, 1999;
2. to elect directors for the ensuing year;
3. to appoint auditors and authorize the Board of Directors to fix their remuneration;
4. to consider and, if thought fit, to pass a special resolution authorizing amendment of the Memorandum of the Company to change the Company's name from BCT.TELUS Communications Inc. to TELUS Corporation;
5. to consider and, if thought fit, pass, with or without variation, an ordinary resolution ratifying and confirming the adoption of the Shareholder Rights Plan, as described in the Information Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Pursuant to an order of the Supreme Court of British Columbia, this Meeting is being held concurrently at the three locations set forth in this Notice by two-way audio-video communications. This technology will allow executives and holders of Common Shares and Non-Voting Shares present at each location to fully participate in the Meeting. A copy of this court order may be obtained upon request to the Vice-President and Corporate Secretary of the Company.

DATED at Burnaby, British Columbia this 20th day of March, 2000.

By order of the Board of Directors



Kerry C. Day
Vice-President and Corporate Secretary

The holders of Common Shares and/or Non-Voting Shares of the Company who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it, in the envelope provided, or otherwise deliver it, to the Vice-President and Corporate Secretary of the Company, c/o Montreal Trust Company of Canada at 600, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8, to reach the addressee not later than 5:00 p.m., local time, on May 1, 2000 or, if the Meeting is adjourned, by 5:00 p.m. on the second last business day prior to the date on which the Meeting is re-convened. Holders of Non-Voting Shares of the Company will be entitled to vote only with respect to the ratification and confirmation of adoption of the Shareholder Rights Plan as described in the Information Circular.

INFORMATION CIRCULAR

Dated as of March 20, 2000

This Information Circular is furnished in connection with the solicitation of proxies by management of BCT.TELUS Communications Inc. ("BCT.TELUS" or the "Company") for use at the Annual and Special Meeting (the "Meeting") of the Company to be held on May 3, 2000. Each holder of Common Shares ("Common Shares") and Non-Voting Shares ("Non-Voting Shares") of the Company is being sent an Information Circular. Each holder of Common Shares will also be sent a form of proxy for voting purposes. Each holder of Non-Voting Shares has a right to attend and be heard at the Meeting. Each holder of Non-Voting Shares will also be sent the form of proxy for voting purposes in connection only with the ordinary resolution ratifying and confirming the adoption of the Shareholder Rights Plan (the "Rights Plan"). Each holder of Employee Shares, as hereinafter defined, will be sent a voting instruction card.

The Meeting is being held concurrently in three locations at: the Robson Square Conference Centre, 800 Robson Street, Vancouver, British Columbia; the Metropolitan Centre, 333 Fourth Avenue South West, Calgary, Alberta; and the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, by way of two-way audio-video communications pursuant to an order of the Supreme Court of British Columbia. This technology will allow executives and holders of Common Shares and Non-Voting Shares present at each location to fully participate in the Meeting. A copy of this court order may be obtained upon request to the Vice-President and Corporate Secretary of the Company at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5G 3Z7.

SOLICITATION OF PROXIES

The solicitation of proxies from holders of Common Shares and/or Non-Voting Shares for use at the Meeting (including holders of Employee Shares) will be by mail to the member's latest address shown on the Register of Members. The cost of this solicitation will be borne by the Company.

Proxy for Registered Holders of Common Shares and Non-Voting Shares

Each of the persons named in the enclosed form of proxy to represent holders of Common Shares and Non-Voting Shares (collectively the "Shares") at the Meeting is a director and/or officer of the Company. **Each holder of Shares has the right to appoint some other person to represent the holder of Shares at the Meeting and may exercise this right by inserting such other person's name in the blank space provided in the enclosed form of proxy or by completing another acceptable form of proxy. A person so appointed to represent a holder of Shares at the Meeting need not be a holder of Shares but must attend the Meeting and obtain instructions as to the manner in which the holder of Shares may exercise that right.**

The form of proxy must be dated and signed by the holder of Shares or the holder's attorney authorized in writing. If such a holder is a corporation, the form of proxy must be executed under its corporate seal or by an officer or attorney thereof duly authorized.

To be voted at the Meeting, a form of proxy must be received at the office of Montreal Trust Company of Canada, 600, 530 – 8th Avenue S.W., Calgary Alberta, T2P 3S8 not later than 5:00 p.m., local time, on May 1, 2000. A holder of Shares who has given a proxy may revoke it by delivery of an instrument in writing including another form of proxy bearing a later date or a form of revocation of proxy, signed by the holder of Shares or by an attorney of the holder of Shares authorized in writing, or if the holder of Shares is a corporation, by a duly authorized officer or attorney of that corporation, to the registered office of the Company at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7 at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof. Alternatively, the holder of Shares may revoke the proxy and may vote in person, as to any matter on which a vote has not already been requested pursuant to the authority conferred by the proxy, by delivery of such form of revocation of proxy to the Chairman of the Meeting at the Meeting or any adjournment thereof, or may revoke the proxy in any other manner permitted by law.

On any vote that may be called for at the Meeting or any adjournment thereof, all Shares in respect of which the persons named in the enclosed form of proxy have been appointed to act, will be voted for or against or withheld from voting in accordance with the specifications made by the holder of Shares.

If a specification is not made with respect to any matter on the form of proxy, the Shares will be voted in favour of such matter. The holders of Non-Voting Shares will be entitled to vote only in respect of the ordinary resolution ratifying and confirming adoption of the Rights Plan.

The enclosed form of proxy, when properly completed and signed, confers discretionary authority on the appointed persons to vote as they see fit on any amendment or variation to any of the matters identified in the Notice of Meeting and on any other matter that may properly be brought before the Meeting. As of the date hereof, neither the Board of Directors of the Company (the “Board of Directors”) nor management of the Company is aware of any variation, amendment or other matter to be presented for a vote at the Meeting.

Voting Instruction Cards for Employee Shares

Royal Trust Corporation of Canada (the “Trustee”) is the trustee of all Common Shares and/or Non-Voting Shares (the “Employee Shares”) held on behalf of members of the BCT.TELUS Employee Share Purchase Plan of the Company. Voting rights attached to Employee Shares may be exercised by the holders thereof by completing the enclosed voting instruction card and thereby directing the Trustee as to how such Employee Shares are to be voted at the Meeting. The Trustee will deliver one or more forms of proxy at the Meeting indicating the result of all votes cast by way of voting instruction cards. The voting rights attached to Employee Shares will be voted for or against or withheld from voting only in accordance with the specifications made by the Employees.

Montreal Trust Company of Canada has agreed to act as the recipient of the voting instruction cards and will then forward them to the Trustee for tabulation.

In order for Employee Shares to be voted at the Meeting by the Trustee or a duly appointed proxy, a voting instruction card in respect thereof must be received at the office of Montreal Trust Company of Canada, 600, 530 – 8th Avenue S.W. Calgary, Alberta T2P 3S8 not later than 5:00 p.m., local time, on May 1, 2000. A holder of Employee Shares who has given a voting instruction card may revoke it by depositing another voting instruction card bearing a later date or a notice of such revocation, signed by such holder or by an attorney of such holder authorized in writing, at the registered office of the Company at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7 at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof.

If a voting instruction card is not received by Montreal Trust Company of Canada on behalf of the Trustee in accordance with the above procedures, the Employee Shares will not be voted by the Trustee. Employee Shares cannot be voted in person by the employee at the Meeting unless they are a duly appointed proxy of the Trustee with respect to such shares through registration with the Trustee at the Meeting.

No form of proxy is to be completed in respect of Employee Shares. However, if an employee holds Common Shares and/or Non-Voting Shares (other than Employee Shares), the form of proxy must be completed to vote such Common Shares and/or Non-Voting Shares, unless such employee attends the Meeting and votes such Common Shares and/or Non-Voting Shares in person.

Instructions for Non-registered Holders of Common Shares and Non-Voting Shares

All non-registered holders of Common Shares and Non-Voting Shares who receive these materials through a broker or other intermediary should complete and return the materials entitling such beneficial owners to vote in accordance with the instructions provided to them by such broker or other intermediary.

Confidentiality

Proxies are counted and tabulated by Montreal Trust Company of Canada, the transfer agent of the Company, in such a manner as to preserve the confidentiality of individual holders of Common Shares and Non-Voting Shares votes, except: (a) as necessary to meet the applicable legal requirements; (b) in the event of a proxy contest; or (c) in the event a holder of Common Shares and Non-Voting Shares has made a written comment on the proxy form.

VOTING AND OWNERSHIP OF SHARES

The Board of Directors has fixed March 17, 2000 as the record date for the Meeting and, according to the Articles of the Company, all holders of Common Shares and Non-Voting Shares of record at the close of business on such date will be entitled to receive notice of and to attend (in person or by proxy) and be heard at the Meeting. Holders of Common Shares as of March 17, 2000 will be entitled to vote on all resolutions put forth at the Meeting. Holders of Non-Voting Shares as of March 17, 2000 will be entitled to vote only on the resolution ratifying and confirming the adoption of the Rights Plan. Each Common Share and Non-Voting Share entitles the holder thereof to one vote. On February 29, 2000, the Company had 177,634,059 Common Shares and 59,193,817 Non-Voting Shares issued and outstanding.

A quorum at the Meeting will consist of at least two persons present and/or represented by proxy, being members holding not less than 1/20 of the issued and outstanding Common Shares.

On February 29, 2000, Anglo-Canadian Telephone Company ("Anglo-Canadian") owned, directly and indirectly, 47,354,954 Common Shares and 15,785,985 Non-Voting representing approximately 26.7 per cent of the issued and outstanding Common Shares and Non-Voting Shares, respectively. Anglo-Canadian is beneficially owned and controlled as to 100 per cent of its Common Shares by GTE Corporation of Stamford, Connecticut. To the knowledge of the directors and senior officers of the Company, on February 29, 2000, no other persons beneficially own, directly or indirectly, or exercise control or direction over, Common Shares or Non-Voting Shares carrying more than 10 per cent of the voting rights attached to all Common Shares or Non-Voting Shares entitled to be voted at the Meeting.

On October 25, 1994, the *Canadian Telecommunications Common Carrier Ownership and Control Regulations* (the "Regulations") were adopted under the *Telecommunications Act* (Canada) (the "Act"). To maintain the eligibility of certain of its subsidiaries which are Canadian common carriers under the Act, the level of non-Canadian ownership of the Common Shares cannot exceed 33 1/3 per cent and the Company must not be otherwise controlled by non-Canadians. The Regulations give carrier-holding corporations of Canadian common carriers certain powers to monitor and control the level of non-Canadian ownership of voting shares. As a carrier holding corporation, the powers and constraints of the Regulations have been incorporated into the Articles of the Company. The powers include the right: to refuse to register a transfer of voting shares to a non-Canadian; to force a non-Canadian to sell any voting shares; to convert voting shares to non-voting shares; and to suspend the voting rights attached to the voting shares. The Company monitors the level of non-Canadian ownership of its Common Shares and periodically reports thereon to the Canadian Radio-Television and Telecommunications Commission.

NON-VOTING SHARES

Subject to the prior rights of the holders of First Preferred Shares and Second Preferred Shares of the Company, the holders of Non-Voting Shares are entitled to participate equally with the holders of Common Shares with respect to the payment of dividends and the right to participate in the distribution of assets of the Company on the liquidation, dissolution or winding up of the Company. The Non-Voting Shares cannot be subdivided, consolidated, reclassified or otherwise changed unless the Common Shares are changed in the same manner.

The holders of Non-Voting Shares are entitled to receive notice of, attend and be heard at all general meetings of the members of the Company and are entitled to receive all notices of meetings, information circulars and other written information from the Company that the holders of Common Shares are entitled to receive from the Company, but are generally not entitled to vote at such shareholder meetings unless otherwise required by law. The holders of Non-Voting Shares are entitled to vote at the Meeting on the resolution ratifying and confirming the adoption of the Rights Plan because their interest could be effected.

In order to ensure that the holders of the Non-Voting Shares can participate in any offer which is made to the holders of the Common Shares (but is not made to the holders of Non-Voting Shares on the same terms); which offer must, by reason of applicable securities legislation or the requirements of the stock exchanges on which the Common Shares are listed, be made to all or substantially all the holders of Common Shares who are in any province of Canada to which such requirements apply (an "Exclusionary Offer"); each holder of Non-Voting Shares will, for the purposes of the Exclusionary Offer only, be permitted to convert all or part of the Non-Voting Shares held into an equivalent number of Common Shares during the applicable conversion period. In certain circumstances (namely, the delivery of certificates, at specified times, by holders of 50 per cent or more of the issued and outstanding Common Shares to the effect that they will not, among other things, tender to such Exclusionary Offer or make an Exclusionary Offer), these conversion rights will not come into effect.

If the Act and the Regulations thereunder are changed so that there is no restriction on non-Canadians holding Common Shares, holders of Non-Voting Shares will have the right to convert all or part of their Non-Voting Shares into Common Shares on a one-for-one basis and the Company will have the right to require holders of Non-Voting Shares who do not make such an election to convert such Non-Voting Shares into an equivalent number of Common Shares.

REPORT OF THE DIRECTORS AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The report of management and the audited consolidated financial statements for the year ended December 31, 1999, are contained in the Annual Report of the Company which accompanies this Information Circular.

ELECTION OF DIRECTORS

General

Effective May 11, 1999, the current directors were elected by the holders of the Common Shares at that time. On September 22, 1999, George K. Petty resigned as a director. On March 15, 2000, John S. Lacey was appointed by the directors to fill the vacancy on the Board of Directors. The Articles of the Company specify that the required number of directors is 16.

Pursuant to the *Company Act* (British Columbia), advance notice of the Meeting was published in the Vancouver Sun on March 2, 2000.

The Articles of the Company provide for cumulative voting in respect of the election of directors. At the Meeting each holder of Common Shares has the right to cast the number of votes for election of directors equal to the number of Common Shares held by him or her multiplied by 16, being the number of directors to be elected. Each holder of Common Shares may cast all such votes in favour of one candidate or distribute the votes among the candidates in any manner. If a holder of Common Shares votes for more than one candidate without specifying the distribution of the votes among the candidates, the votes will be distributed equally among the candidates voted for by that holder of Common Shares. If at the Meeting the number of candidates nominated for directors exceeds the number of directors to be elected, the candidate who receives the least number of votes will be eliminated until the number of candidates remaining equals the number of positions to be filled.

ELECTION OF DIRECTORS

Unless the holder of Common Shares signing the form of proxy specifies that the form of proxy be withheld from voting on the election of all directors or indicates that such holder wishes to exercise cumulative voting rights, the persons named in the enclosed form of proxy intend to vote for the election of all nominees for directors whose names are set forth in the table on the following page. If a holder of Common Shares wishes to distribute votes other than equally among the candidates for whom the holder of Common Shares has directed the nominee designated in the accompanying form of proxy to vote, the holder of Common Shares must do so personally at the Meeting or by another proper form of proxy providing clear instructions on how votes are to be allocated.

Management has no reason to believe that any nominee will be unable to serve as a director. **If prior to the Meeting any of such nominees is unable or unwilling to serve, the persons named in the accompanying form of proxy, unless directed to withhold the Common Shares from voting for the election of directors, reserves the right to vote for another nominee or nominees in their discretion if additional nominations are made at the Meeting.** Unless his or her office is vacated in accordance with applicable law or the Articles of the Company, each director elected at the Meeting will hold office until the next annual meeting of members or until his or her successor is elected or appointed.

The following table sets forth the name and background information of each nominee, including present principal occupation, principal occupations during the past five years, and positions held with the Company and its significant subsidiaries. The background information also includes the year in which each nominee first became a director of BC TELECOM Inc. ("BC TELECOM") or TELUS Corporation ("TELUS"), if applicable. In addition, the table shows the number of Common Shares and Non-Voting Shares that each nominee beneficially owns, directly or indirectly, or exercises control or direction over, as of February 29, 2000. The table also shows the number of Deferred Share Units held by each director. Each Deferred Share Unit reflects the underlying value of a Common Share but does not carry voting rights. The information as to Common Shares and Non-Voting Shares owned beneficially, not being fully within the knowledge of the Company, has been furnished to the Company by the nominees.

Name and Municipality Of Residence	Principal Occupation	Director Since (BC TELECOM Inc. or TELUS Corporation, or the Company)	Securities of BCT.TELUS (Common Shares/ Non-Voting Shares/ Deferred Share Units)
R. John Butler ⁽⁴⁾ ⁽⁵⁾ Edmonton, Alberta	Counsel, Bryan and Company (law firm)	1995	984/937/0
Brian A. Canfield ⁽³⁾ Point Roberts, Washington	President and Chief Executive Officer, BCT.TELUS Communications Inc.	1993	7,626/2,542/1308
Pierre Choquette ⁽⁴⁾ ⁽⁵⁾ Torrance, Ontario	President and Chief Executive Officer, Methanex Corporation (methanol produce and marketer)	1997	750/250/1033
G.N. (Mel) Cooper ⁽³⁾ ⁽⁵⁾ Victoria, British Columbia	Chairman and Chief Executive Officer, Seacoast Communications Group Inc. (broadcasting company)	1993	2758/750/0
David L. Emerson ⁽²⁾ Vancouver, British Columbia	President and Chief Executive Officer, Canfor Corporation (integrated forest products company)	1996	875/125/437
Iain J. Harris ⁽¹⁾ ⁽³⁾ Vancouver, British Columbia	Chairman and Chief Executive Officer, Summit Holdings Ltd. (investment and holding company)	1997	750/250/1559
Norm Kimball ⁽²⁾ ⁽³⁾ Calgary, Alberta	President, L&N Investments Ltd. (private holding company)	1991	2851/328/0
John S. Lacey Toronto, Ontario	Chairman, Loewen Group Inc.	n/a	0/0/0
Richard J. LeLacheur ⁽²⁾ ⁽⁵⁾ Edmonton, Alberta	Chairman, Workers' Compensation Board, Alberta President and Chief Executive Officer, Edmonton 2001 World Championships In Athletics	1991	983/327/1306
Michael T. Masin ⁽²⁾ Greenwich, Connecticut	Vice-Chairman and President – International, GTE Corporation (member of consolidated group of telecommunications companies)	1995	1501/500/1402
Harold P. Milavsky ⁽¹⁾ ⁽³⁾ Calgary, Alberta	Chairman, Quantico Capital Corp. (investment company)	1991	0/4811/0
Walter B. O'Donoghue ⁽¹⁾ Calgary, Alberta	Partner, Bennett Jones (law firm)	1991	2809/827/0
Fares F. Salloum ⁽¹⁾ ⁽⁴⁾ Dallas, Texas	Senior Vice-President – International Operations, GTE Service Corporation (member of consolidated group of telecommunications companies)	1997	1501/1194/0
Geraldine B. Sinclair ⁽²⁾ Vancouver, British Columbia	President and Chief Executive Officer, NCompass Labs Inc. (developer of Internet software) and Executive Director, ExCITE Centre (multimedia research and development centre)	1998	519/75/0
Ronald P. Triffo ⁽¹⁾ ⁽⁴⁾ Edmonton, Alberta	Chairman, Stantec Inc. (engineering company)	1995	1567/522/2174
Donald Woodley ⁽⁴⁾ Orangeville, Ontario	President The Fifth Line Enterprises	1998	2668/222/0

Notes:

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Corporate Governance Committee

- (4) Member of Strategic Policy Committee
- (5) Member of Pension Committee

All of the proposed nominees for director of the Company have held the principal occupations set forth above or executive positions with the same companies or firms referred to, or with affiliates or predecessors thereof, for the past five years except as follows: David L. Emerson was President and Chief Executive Officer of the Vancouver International Airport Authority prior to January, 1998; John S. Lacey was the President and Chief Executive Officer of the Oshawa Group Ltd. from August, 1998 to December, 1998, the President and Chief Executive Officer of Western International Communications Ltd. from November, 1996 to July, 1998 and the President and Chief Executive Officer of Scotts Hospitality Inc. prior to October, 1996; Richard J. LeLacheur was the President and Chief Executive Officer of Economic Development Edmonton prior to March, 1998; Fares Salloum was Executive Vice-President, Communication Services of BC TELECOM and BC TEL from July, 1995 to July, 1997; and Donald P. Woodley was the President of Compaq Canada Inc. prior to February 1997 and President of Oracle Corporation Canada Inc. from February 1997 to September 1999.

CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives. At BCT.TELUS, corporate governance means the process and structure used to supervise the business and affairs of the Company with the objective of enhancing shareholder value, which includes ensuring the financial viability of the business. The process and structure define the division of authority and responsibilities and establish mechanisms for achieving accountability by the Board and management. The direction and management of the business will also take into account the impact of decisions on other stakeholders such as employees, customers, suppliers and communities.

In February 1995, The Toronto Stock Exchange (the "TSE") adopted the report of its Committee on Corporate Governance in Canada and issued guidelines for effective corporate governance (the "guidelines"). The guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

BCT.TELUS acknowledges the benefits received by BCT.TELUS, its holders of Common Shares and Non-Voting Shares and the business community in general from the disclosure of governance practices and is committed to an ongoing process of disclosure and further implementation of the guidelines, where appropriate.

In accordance with the guidelines it is a listing requirement that each TSE listed corporation annually disclose its approach to corporate governance with reference to the guidelines. The disclosure is attached to this Information Circular as Appendix "A."

APPOINTMENT OF AUDITORS

Arthur Andersen LLP were appointed auditors of the Company on May 11, 1999. Holders of Common Shares will be asked at the Meeting to approve the re-appointment of Arthur Andersen LLP, as auditors, at a remuneration to be determined by the directors, and such re-appointment will become effective only if approved by at least a majority of the votes cast by the holders of Common Shares entitled to vote at the Meeting.

The persons named in the enclosed form of proxy intend to vote for the appointment of Arthur Andersen LLP, Chartered Accountants, as auditors of the Company, unless the holder of Common Shares specifies that the form of proxy be withheld from voting.

APPROVAL OF THE AMENDMENT TO THE MEMORANDUM OF THE COMPANY

On May 3, 1999 the Board approved the adoption of TELUS as the brand name for the Company and its subsidiaries. The formal launch of the TELUS brand in British Columbia occurred on October 18, 1999, at which time, BC TEL changed its name to TELUS Communications (B.C.) Inc. The change of the name of the Company from BCT.TELUS Communications Inc. to TELUS Corporation is the final step in adoption of the TELUS brand by the Company and its subsidiaries.

In the view of the Board of directors, it is desirable to amend the Memorandum of the Company to change the name of the Company from BCT.TELUS Communications Inc. to TELUS Corporation, pursuant to section 223 of the *British Columbia Company Act* (the "Act").

The Board of directors requests the adoption of the special resolution set out below.

BE IT RESOLVED, as a special resolution, THAT:

- (a) The name of the Company be changed from "BCT.TELUS Communications Inc." to "TELUS Corporation."
- (b) The Memorandum of the Company be altered so that it shall be in the form presented to the Meeting.

The form of Memorandum to be presented to the Meeting is attached as Appendix B to this Information Circular.

To be effective, the special resolution must be approved by a majority of not less than 3/4 of the votes cast by those members of the Company, who being entitled to do so, vote in person or by proxy at the Meeting on these special resolutions.

The Articles of the Company also refer to BCT.TELUS Communications Inc. in several places. If the special resolution approving the change of name is approved, the name of the Company in the Articles of the Company will also be changed to TELUS Corporation.

The persons named in the enclosed form of proxy intend to vote for the special resolution approving the change of the name of the Company, unless the holders of Common Shares specifies that the Common Shares be voted against the resolution.

APPROVAL OF THE ADOPTION OF THE SHAREHOLDER RIGHTS PLAN BY THE HOLDERS OF SHARES

The holders of Shares will be asked at the Meeting to consider and, if thought advisable, to approve, by a simple majority of votes cast by holders of the Shares, an ordinary resolution, the text of which is hereinafter set forth (the “Rights Plan Resolution”) to ratify and confirm the adoption of the Rights Plan. The Rights Plan, adopted by the Board, is contained in an agreement entered into with Montreal Trust Company of Canada on March 20, 2000. The full text of the agreement containing the Rights Plan is attached to this Information Circular as Appendix “C.” The Rights Plan became effective March 20, 2000 and will continue in effect, unless holders of the Shares do not approve the Rights Plan Resolution.

Background

In considering whether to adopt the Rights Plan, the Board considered the current legislative framework in Canada governing takeover bids. Under provincial securities legislation, a takeover bid generally means an offer to acquire voting or equity shares of a person or persons, where the shares subject to the offer to acquire, together with shares already owned by the bidder and certain related parties thereto, aggregate 20% or more of the outstanding shares.

The existing legislative framework for takeover bids in Canada raises the following concerns for the Company’s shareholders:

(a) Time

Current legislation permits a takeover bid to expire 21 days after it is initiated. The Board is of the view that this is not sufficient time to permit the Company’s shareholders to consider a takeover bid and to make a reasoned and unhurried decision about the merits of a takeover bid.

(b) Pressure to Tender

A shareholder may feel compelled to tender to a takeover bid which the shareholder considers to be inadequate out of a concern that in failing to do so, the shareholder may be left with illiquid or minority discounted shares. This is particularly so in the case of a partial takeover bid for less than all shares, where the bidder wishes to obtain a control position but does not wish to acquire all of the shares. The Rights Plan provides a shareholder approval mechanism which is intended to ensure that a shareholder can separate the decision to tender from the approval or disapproval of a particular takeover bid.

(c) Unequal Treatment: Full Value

The Board of Directors was also concerned that a bidder might attempt, among other things, a gradual accumulation of shares in the open market; the accumulation of a large block of shares in a highly compressed period of time from institutional shareholders and professional speculators or arbitrageurs; or an offer for any or all of shares at what the Board of Directors considers to be less than full and fair value. The Rights Plan effectively prohibits the acquisition of more than 34.2% of the outstanding Common Shares in such a manner. The Rights Plan is designed to encourage any bidder to provide shareholders with equal treatment in a takeover and full value for their investment.

The Rights Plan should provide adequate time for shareholders to assess a bid and to permit competing bids to emerge. It also gives the Board sufficient time to explore other options. A potential bidder can avoid the dilutive features of the Rights Plan by making a bid that conforms to the conditions specified in the Permitted Bid provisions.

To qualify as a Permitted Bid, a takeover bid must be open for 60 days after the bid is made. If at least 50% of the shares of the Company which are entitled to vote in the election of directors ("Voting Shares") subject to the bid that are not held by the bidder are deposited, the bidder may take up and pay for such shares and the bid must remain open for a further period of 10 clear business days on the same terms.

Neither at the time of adoption of the Rights Plan nor at the date of this Information Circular was the Board aware of any specific proposal to acquire control of the Company nor any such effort to do so. It was not the intention of the Board in adopting the Rights Plan to secure the continuance in office of the existing members of the Board or to avoid an acquisition of control of the Company in a transaction that is fair and in the best interests of the shareholders. The rights of shareholders under existing law to seek a change in the management of the Company or to influence or promote action of management in a particular manner will not be affected by the Rights Plan. The adoption of the Rights Plan does not affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company and its shareholders. Shareholder rights plans have been adopted by a large number of publicly held companies in Canada and the United States. The terms of the Rights Plan, set forth in the Rights Agreement, are substantially similar to those recently adopted by other major Canadian companies.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan which is qualified in its entirety by reference to the text of the Rights Plan accompanying this Circular.

Effective Date

The effective date of the Rights Plan is March 20, 2000 (the "Effective Date").

Term

Ten years, subject to reconfirmation at the third and sixth annual meeting following the adoption of the Rights Plan.

Shareholder Approval

For the Rights Plan to continue in effect following the Meeting, the Rights Plan Resolution must be approved by a majority of the votes cast at the Meeting by holders of the Shares voting in person and by proxy.

Issue of Rights

On the Effective Date, one Series A right (a "Series A Right") was issued and attached to each Common Share outstanding at one minute after the Effective Date (the "Record Time") and will attach to each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the expiration of the Agreement (the "Expiration Time"). Additionally, on the Effective Date, one Series B right (a "Series B Right") was issued and attached to each Non-Voting Share outstanding at the Record Time and will attach to each Non-Voting Share issued after the Record Time and prior to the earlier of the Separation Time (hereinafter defined) and the Expiration Time.

Rights Exercise Privilege

The Series A Rights and the Series B Rights will separate from the Common Shares and Non-Voting Shares and will be exercisable eight trading days (the "Separation Time") after a person has acquired, or commences a takeover bid to acquire, more than 34.2% of the Voting Shares, other than by an acquisition pursuant to a takeover bid permitted by the Plan (a "Permitted Bid"). The acquisition by any person (an "Acquiring Person") of more than 34.2% of the Voting Shares, other than by way of a Permitted Bid, is referred to as a "Flip-in Event." Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Eight trading days after the occurrence of the Flip-in Event, each Series A Right (other than those held by the Acquiring Person), will permit the purchase of \$320 worth of Common Shares for \$160 (i.e. at a 50% discount) and each Series B Right (other than those held by the Acquiring Person) will permit the purchase of \$320 worth of Non-Voting Shares for \$160 (i.e. at a 50% discount).

The issue of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Shares, reported earnings per share on a fully diluted or non-diluted basis may be affected. Holders of Rights not exercising their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

The Flip-in Event threshold was set at 34.2% in order to respect the terms of the Long Term Relationship Agreement entered into between GTE Corporation ("GTE"), Anglo-Canadian and the Company at the time of the merger between BC TELECOM and TELUS. In particular, that agreement provides that Anglo-Canadian may increase its approximate 26.7% interest in the Company by no more than 7.5% without the prior approval of a majority of the Company's independent directors (i.e. directors who are neither GTE designees nor members of Company management).

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for Common Shares and Non-Voting Shares issued from and after the Effective Date and will not be transferable separately from such Shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates which will be transferable and traded separately from the Shares.

Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- (i) the takeover bid must be made by way of a takeover bid circular;
- (ii) the takeover bid must be made to all holders of Voting Shares;
- (iii) the takeover bid must be outstanding for a minimum period of 60 days and Voting Shares tendered pursuant to the takeover bid may not be taken up prior to the expiry of the 60 days period and only if at such time more than 50% of the Voting Shares held by Shareholders other than the bidder, its affiliates and persons acting jointly or in concert (the "Independent Shareholders") have been tendered to the takeover bid and not withdrawn; and
- (iv) if more than 50% of the Voting Shares held by Independent Shareholders are tendered to the takeover bid within the 60 day period, the bidder must make a public announcement of that fact and the takeover bid must remain open for deposits of Voting Shares for an additional 10 business days from the date of such public announcement.

The Shareholder Rights Plan allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the statutory requirement that it be outstanding for a minimum period of 21 days.

Waiver and Redemption

The Board may, prior to a Flip-in Event, waive the dilutive effects of the Rights Plan in respect of a particular Flip-in Event resulting from a takeover bid made by way of a takeover bid circular to all holders of Voting Shares, in which event such waiver would be deemed also to be a waiver in respect of any other Flip-in Event occurring under a takeover bid made by way of takeover bid circular to all holders of Voting Shares. The Board of Directors may also waive the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to 34.2% or less of the outstanding Voting Shares within 14 days or such other period as may be specified by the Board. With the majority consent of holders of Shares or Rights holders at any time prior to the occurrence of a Flip-in Event, the Board of Directors may redeem all, but not less than all, of the outstanding Rights at a price of \$0.0001 each.

Exemptions for Investment Advisors

Investment advisors (for client accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies managing investment funds (for employee benefit plans, pension plans, insurance plans or various public bodies), administrators or trustees of registered pension funds, plans or related trusts, and Crown agents or agencies acquiring greater than 34.2% of the Voting Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a takeover bid.

Supplements and Amendments

The Company is authorized to make amendments to the Rights Plan to correct any clerical or typographical error or, subject to subsequent ratification by Shareholders or Rights holders, to maintain the validity of the Rights Plan as a result of changes in law or regulation. Prior to the Meeting, the Company is authorized to amend or supplement the Rights Plan as the Board of Directors may in good faith deem necessary or desirable. No such amendments have been made to date. The Company will issue a press release relating to any significant amendment made to the Rights Plan prior to the Meeting and will advise the holders of Shares of any such amendment at the Meeting. Other amendments or supplements to the Rights Plan may be made with the prior approval of Shareholders or Rights holders.

Canadian Federal Income Tax Consequences of the Rights Plan

The Company will not have any income for the purposes of the *Income Tax Act* (Canada) (the “ITA”) as a result of the issuance of the Rights. The ITA provides that the value of a right to acquire additional shares of a company is not a taxable benefit which must be included in income and is not subject to non-resident withholding tax if the right is conferred on all holders of Shares. Although the Rights are to be so conferred, the Rights may become void in the hands of certain holders of Shares upon certain triggering events occurring (see “Flip-in Event”), and, consequently, whether or not the issue of the Rights is a taxable event is not entirely free from doubt. In any event, no amount must be included in income if the Rights do not have a monetary value at the date of issue. The Company considers that the Rights, when issued, will have negligible monetary value, there being only a remote possibility that the Rights will ever be exercised. A holder of Rights may have income or be subject to withholding tax under the ITA if the Rights become exercisable or are exercised. A holder of Rights may be subject to tax in respect of the proceeds of disposition of such Rights.

This statement is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular holder of Shares. Such shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and applicable foreign, provincial or territorial legislation.

Recommendation of the Board

The Board has determined that the Rights Plan is in the best interests of the Company and the Shareholders. The Board recommends that holders of Shares vote in favour of the resolution to ratify and confirm the adoption of the Rights Plan.

At the Meeting, the following resolution will be placed before the holders of the Shares for approval:

BE IT RESOLVED, as a ordinary resolution, THAT:

1. The Shareholder Rights Plan Agreement dated March 20, 2000 between the Company and Montreal Trust Company of Canada, which is attached as Appendix “C” to the Information Circular dated March 20, 2000 accompanying the Notice of Meeting, as the same may be amended prior to this Meeting, be and it is hereby ratified and confirmed; and
2. Any two directors or officers of the Company, be and are hereby authorized, for and on behalf of the Company, to execute and deliver such other documents and instruments and take such other actions as such directors or officers may determine to be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

The persons named in the enclosed form of proxy intend to vote for the above resolution which ratifies and confirms the adoption of the Rights Plan, unless the holder of Common Shares and/or Non-Voting Shares specifies that the Common Shares and/or Non-Voting Shares concerned be voted against the resolution.

EXECUTIVE COMPENSATION SUMMARY TABLE

The Company was created pursuant to the Plan of Arrangement between TELUS and BC TELECOM, effective February 1, 1999 (the "Plan of Arrangement"). In accordance with executive compensation requirements of applicable securities regulations, the following table sets forth information concerning the total compensation paid during the last three fiscal years to the Chief Executive Officers of the Company, George K. Petty and Brian A. Canfield, during 1999 and four other executive officers employed by the Company as at December 31, 1999, who had the highest individual aggregate salary and bonuses during 1999 (collectively, the "Executive Officers"). George K. Petty was President and Chief Executive Officer during the period from February 1, 1999 to September 22, 1999. Brian A. Canfield was appointed President and Chief Executive Officer on September 22, 1999 on an interim basis. Prior to September 22, 1999, Brian A. Canfield was the Chairman of the Board of Directors of the Company. The figures shown for each of the three years represent those amounts paid by the Company or its predecessors to the named individuals. Any amounts shown in the following tables in connection with the issuance of stock options relate to options given under the former respective stock option plans of BC TELECOM and TELUS, adjusted in number to take into consideration the exchange of such options into options for Company shares in accordance with the terms of the Plan of Arrangement, and the options granted since the merger under the Company's Share Option and Compensation Plan.

Name and Principal Position	Year Ended Dec. 31	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Number of Securities Under Options Granted	Restricted Shares or Restricted Share Units	LTIP Payouts (\$)	All Other Compensation (\$)
George K. Petty	1999	550,954	—	—	0	—	300,000 ⁽⁵⁾	100,000 ⁽³⁾
President and Chief Executive Officer	1998	470,000	531,570	—				3,709,105 ⁽⁶⁾
	1997	450,000	418,500	—				82,500 ⁽⁷⁾
Feb. 1 – Sept. 22, 1999								\$ 3,891,605
Brian A. Canfield	1999	207,069 ⁽¹³⁾	—	—	74,000 ⁽¹⁰⁾	42,727 ⁽¹¹⁾	63,492 ⁽⁹⁾	100,000 ⁽⁴⁾
President and Chief Executive Officer	1998	110,000	—	—			71,222 ⁽⁸⁾	
	1997	317,500	306,000	—				
Sept. 22 – Dec. 31, 1999							\$ 134,714	\$ 100,000
Ian D. Mansfield	1999	427,916	331,946	—	21,545		73,763 ⁽⁸⁾	80,000 ⁽⁴⁾
Executive Vice President and President	1998	295,000	208,155	—				25,300 ⁽⁷⁾
TELUS Communications division	1997	207,500	144,695	—				
								\$ 105,300
James W. Peters	1999	372,083	288,878 ⁽¹²⁾	—	17,050	—	37,330 ⁽⁸⁾	70,000 ⁽⁴⁾
Executive Vice President	1998	175,000	120,330 ⁽¹²⁾	—				
Corporate Affairs and Corporate Development and Emerging Businesses	1997	175,000	132,860	—				
								\$ 70,000
Roy A. Osing	1999	307,084	213,173	—	18,000	—	87,982 ⁽⁸⁾	
Executive Vice President and President, Advanced Communications	1998	260,000	180,336	—				
	1997	247,000	189,585	—				
Nadir H. Mohamed	1999	296,667	181,878 ⁽¹²⁾	—	10,440	—	32,263 ⁽⁸⁾	20,000 ⁽⁴⁾
Senior Vice President	1998	260,000	178,776 ⁽¹²⁾	—				11,500 ⁽⁷⁾
Marketing and Sales	1997	151,250	100,089					\$ 31,500

Notes:

- (1) Represented variable "at risk" component of cash compensation earned under annual variable pay plan. Amounts are paid in first quarter of following year.
- (2) The value of perquisites and other personal benefits received in 1999 by named executive officers is less than 10 per cent of annual salary and bonus.
- (3) Special Bonus related to merger, paid by TELUS in January 1999.
- (4) Special Bonus related to merger, paid by BC TELECOM in January 1999.
- (5) Payout of Performance Share Units previously issued under TELUS Performance Share Unit Plan in January 1999 prior to merger.
- (6) Severance payments made in December 1999 and January 2000.
- (7) Payment in lieu of accrued vacation.
- (8) Payout of Deferred Share Units granted under BC TELECOM Medium Term Variable Plan. Paid out in cash prior to merger in January 1999.
- (9) Payout of BC TELECOM Directors Deferred Share Unit and Share Compensation Plans prior to merger in January 1999.
- (10) Includes 4000 options received as Chairman and 70,000 options received as compensation for acting as President and CEO, of which 35,000 were granted in lieu of base salary.
- (11) Includes Deferred Share Units granted in lieu of Chairman's compensation, President and CEO compensation, employer matching contribution and deemed dividend reinvestment under the Employee Share Plan.
- (12) Portion of variable pay deferred to obtain enhanced pension benefits.
- (13) Includes all compensation received as Chairman between February 1 to September 22, 1999 and base pay received as President and CEO except for portion provided in the form of additional options.

Option/Stock Appreciation Right (SAR) Grants During the Most Recently Completed Financial Year for the Executive Officers.

Name	Securities Under Options/SARs Granted ⁽¹⁾ (#)	Per Cent of Total Option/SARs Granted to Employees In Financial Year ⁽¹⁾	Exercise or Base Price (\$/Security) ⁽²⁾	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$) (\$/Security) ⁽³⁾	Expiration Date
G.K. Petty	94,225	12.05	37.40	37.92	September 28, 1999
B.A. Canfield	4,000	0.51	37.40	37.92	March 10, 2009
	42,780	5.47	29.90	29.92	November 18, 2002
	27,220	3.48	32.55	32.78	December 8, 2002
I.D. Mansfield	21,545	2.75	37.40	37.92	March 10, 2009
R.A. Osing	10,000	1.28	37.40	37.92	March 10, 2009
	8,000	1.02	32.43	32.43	September 1, 2009
J.W. Peters	17,050	2.18	37.40	37.92	March 10, 2009
N.H. Mohamed	10,440	1.33	35.90	35.57	June 8, 2009

Notes:

- (1) Percentage refers to per cent of total grant of BCT.TELUS.
- (2) BCT.TELUS options granted at weighted average trading price last business day before date of grant.
- (3) Actual weighted average trading price on date of grant.

Aggregated Option/SAR Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values for the Executive Officers.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in the Money Options/SARs at FY-End (\$) Exercisable/ Unexercisable (1)
G.K. Petty	0	0	295,412/0	3,459,922/0
B.A. Canfield	0	0	294,967/83,333	3,339,045/349,032
I.D. Mansfield	0	0	15,301/33,211	91,218/120,125
R.A. Osing	5000	56,232 (SAR)	28,334/29,666	260,932/120,125
J.W. Peters	0	0	35,434/28,716	187,625/127,378
N.H. Mohamed	0	0	22,734/22,106	142,877/113,415

(1) Based on December 31, 1999, market close the BCT.TELUS Common \$35.15, BCT.TELUS Non-Voting \$34.85 and weighted market price for pre merger options of \$35.07

BCT.TELUS Pension Plan

The Board of directors approved in principle a new BCT.TELUS Supplementary Pension Plan on July 27, 1999 for the Company, to replace the predecessor's supplemental income plans. The BCT.TELUS Supplementary Retirement Arrangement ("SRA") provides supplemental pension benefits to be paid to a retired executive officer as a supplement to the amount payable under the existing registered company pension plans. On final approval, the new plan will be effective February 1, 1999.

Executive officers participate in the Company's contributory registered pension plans. The SRA supplements these plans by ensuring a total benefit at retirement determined as 2 per cent of a person's highest three years' average salary and a person's highest three year's average target bonus times the total number of years of credited service to a maximum of 35. The following table shows the total of the annual retirement benefits, payable from both the SRA and registered pension plans, assuming retirement at age 60 or over:

Pension Plan Table 1999

Remuneration (\$)	Years of Service				
	15	20	25	30	35
175,000	\$ 52,500	\$ 70,000	\$ 87,500	\$ 105,000	\$ 122,500
200,000	60,000	80,000	100,000	120,000	140,000
225,000	67,500	90,000	112,500	135,000	157,500
250,000	75,000	100,000	125,000	150,000	175,000
300,000	90,000	120,000	150,000	180,000	210,000
350,000	105,000	140,000	175,000	210,000	245,000
400,000	120,000	160,000	200,000	240,000	280,000
450,000	135,000	180,000	225,000	270,000	315,000
500,000	150,000	200,000	250,000	300,000	350,000
550,000	165,000	220,000	275,000	330,000	385,000
600,000	180,000	240,000	300,000	360,000	420,000
650,000	195,000	260,000	325,000	390,000	455,000
700,000	210,000	280,000	350,000	420,000	490,000
750,000	225,000	300,000	375,000	450,000	525,000
800,000	240,000	320,000	400,000	480,000	560,000
850,000	255,000	340,000	425,000	510,000	595,000
900,000	270,000	360,000	450,000	540,000	630,000
950,000	285,000	380,000	475,000	570,000	665,000
1,000,000	300,000	400,000	500,000	600,000	700,000

Notes:

- (1) The compensation covered by the SRA for each of the named executive officers, other than George K. Petty and Brian A. Canfield, is based on their respective salaries and their respective bonuses shown in the Summary Compensation Table.
- (2) The benefits under the registered pension plans and the SRA are payable for a member's lifetime with a 60 per cent benefit payable to the surviving spouse.
- (3) The pension at retirement, at age 60 with less than 15 years service, will be reduced.

The years of credited service as of December 31, 1999 for pension plan purposes for the named executive officers, other than George K. Petty and Brian A. Canfield, are as follows: Ian D. Mansfield, 30 years 4 months, Roy A. Osing, 30 years 8 months; James W. Peters, 16 years 4 months; Nadir H. Mohamed, 18 years 4 months.

With respect to Nadir H. Mohammed, the annual retirement benefit payable at age 60 under the SRA is enhanced over that indicated by the above table by an amount of \$2,000 annually, as a result of variable pay deferred in accordance with the BC TELECOM Supplemental Income Plan. With respect to James W. Peters, the annual retirement benefit payable at age 60 under the SRA is enhanced over that indicated by the above table by an amount of \$67,939 annually, as a result of variable pay deferred in accordance with the BC TELECOM Supplemental Income Plan.

With respect to George K. Petty, the retirement benefits are not determined directly in accordance with the SRA provisions described above but, rather, his total retirement benefit entitlement under all programs sponsored by the Corporation and its predecessors is \$97,970 per annum commencing at age 60.

COMPOSITION OF THE COMPENSATION COMMITTEE

BCT.TELUS Committee

The Human Resources and Compensation Committee of the Board of Directors (the “Committee”) is responsible for reviewing compensation programs for the Company’s executive officers and making recommendations to the Board of Directors on such matters. The Committee is currently composed of Michael T. Masin (Chairman), Richard J. LeLacheur, Geraldine B. Sinclair, Norm Kimball and David L. Emerson. A majority of the members of the Committee are independent directors and none of the members are eligible to participate in any of the Company’s compensation programs for employees, except for the Share Option and Compensation Plan which includes separate provisions related to the grant of options, purchase of Shares and issuance of Deferred Share Units to Non-Employee Directors.

REPORT ON EXECUTIVE COMPENSATION

The overall purpose of the Committee is to provide an appropriate compensation arrangement for the Company’s executives such as to attract and retain the key talent necessary to achieve the business objectives approved by the Board and maximize shareholder value. In doing so, the objective is to provide a clear linkage between compensation and the achievement of business goals, both short-term and long-term, by determining the appropriate components of fixed compensation, compensation at risk and future income security.

Compensation Objectives and Principles

These objectives are met by periodically receiving recommendations from management as to the appropriate levels, supported through the expertise of outside consultants who conduct surveys and provide competitive data to form the basis for the levels established.

The Committee will approve from time to time a performance management system providing a direct linkage between short-term and long-term compensation at risk and the execution strategies to achieve the goals of continuous growth, excellent customer service, operational excellence and providing a work place of choice.

Compensation Mix

The Committee relates total compensation levels for the executives to the compensation paid to executives of two comparator groups: Canadian telecommunications companies regardless of their size; and general Canadian industry with revenue similar to the Company’s. The Committee approves the selection of external consultants and reviews and approves the selection of companies used for compensation comparison purposes. The key elements of the Company’s executive compensation program are base salary, annual incentives, and long-term incentives. These key elements are addressed separately below in determining each component of compensation. The Committee will also consider all elements of an executive’s total compensation including health and welfare benefits, retirement programs, perquisites and contractual arrangements for severance.

Base Salary

The Committee has adopted a market based pay approach to ensure adequate and competitive compensation and has targeted salaries to be at about the 60th percentile of the comparator group. Base salaries are adjusted by the Committee to recognize varying levels of responsibility, prior experience, breadth of knowledge, internal equity issues, as well as the external pay practices of companies in the comparator groups.

At Risk Incentive Pay

The Committee is a proponent of directly attaching compensation to the ultimate achievement of business objectives. In this regard, two strategies have been adopted.

Annual Variable Pay Plan

This annual plan promotes the Company's pay for performance philosophy by providing executives with direct financial incentives in the form of an annual cash award based on the achievement of corporate and business unit performance goals. The actual achievement of annual business plans as reflected through performance measurement and quantifiable goals will ultimately determine the annual variable compensation to be received.

Based on an analysis of the risk ratio in the market place (pay at risk/pay not at risk) the Committee encourages an appropriate orientation for executives towards achieving the business strategies of BCT.TELUS. In each case, current market information was collected and the information was further quantified by matching it to the executives' position. On this basis, annual incentive targets were established bearing in mind the median of the comparable market rate.

Long-term Incentives

The long-term incentives will be provided pursuant to the Share Option and Compensation Plan. The value of long-term incentives was established using a similar methodology to annual incentives. The risk orientation of the comparator companies and positions were taken into account. The stated purpose of the plan is to align the shareholders' and executives' and non-employee directors' interests and provide incentive compensation based on the appreciation in value of the Common Shares and Non-Voting Shares. The strategy will concurrently through share options provide an opportunity for executives to acquire an increased proprietary interest in the Company.

The amount and terms of any grant as determined by the Committee will be consistent with the overall compensation philosophy and objectives as set out above. Share options will be granted at an exercise price not less than the fair market value of the Common Shares on the date of the grant as determined pursuant to the Plan.

Conclusion

The Committee believes these executive compensation policies and programs serve the interests of members effectively. The various components of pay offered are appropriately balanced to provide direction and motivation for the executives to contribute to the Company's overall success and to deliver the growth and synergy opportunities that drove the creation of the Company, thereby enhancing the value of the Company for the shareholders.

Compensation for Chief Executive Officers

The principles for establishing, measuring and determining the compensation of George K. Petty were identical to those established for the other executives.

The compensation of Brian A. Canfield while serving as President and Chief Executive Officer was established in reference to the compensation payable to George K. Petty prior to his departure. His variable pay target is 60 per cent of base and is calculated in reference to the achievement of specific objectives and goals established by the Committee in reference to the interim nature of his appointment.

Report presented by Michael T. Masin (Chairman), Richard J. LeLacheur, Geraldine B. Sinclair, Norm Kimball and David L. Emerson.

EMPLOYMENT AGREEMENTS

George K. Petty was entitled to a specified severance payment if his employment was terminated for other than just cause, disability or death, at any time within 30 months following a change of control of TELUS. This payment obligation could also be triggered by the executive officer terminating his employment for any reason within six months following a change of control or such longer period as agreed to by the Board of Directors of the Company. The severance payment in such event, in the case of George K. Petty, was an amount equal to 3 times his annual compensation, which includes base pay and average annual incentive compensation. George K. Petty received benefits under the TELUS change of control policy with respect to the Plan of Arrangement between TELUS and BC TELECOM, payable to him in late 1999 and early 2000, the full amount of which has been disclosed as "All Other Compensation" in the Executive Compensation Summary Table.

BC TELECOM entered into agreements dated as of September 10, 1997 with the named executives formerly with BC TELECOM, which include provisions with respect to the termination of their employment within 24 months of a change of control of BC TELECOM or BC TEL (the predecessor of TELUS Communications (B.C.) Inc.) The agreements provide that if the employment of any of these executives is terminated at any time other than for just cause or by reason of death, disability or retirement, the executive will be paid a severance payment which in the case of named executives, would be equal to 2 times the annual compensation and other incentive compensation paid to them at the time of termination. The named executives formerly with BC TELECOM, except for Roy A. Osing, will continue to have rights and benefits reflecting the BC TELECOM change of control policy with respect to the Plan of Arrangement until February 1, 2001.

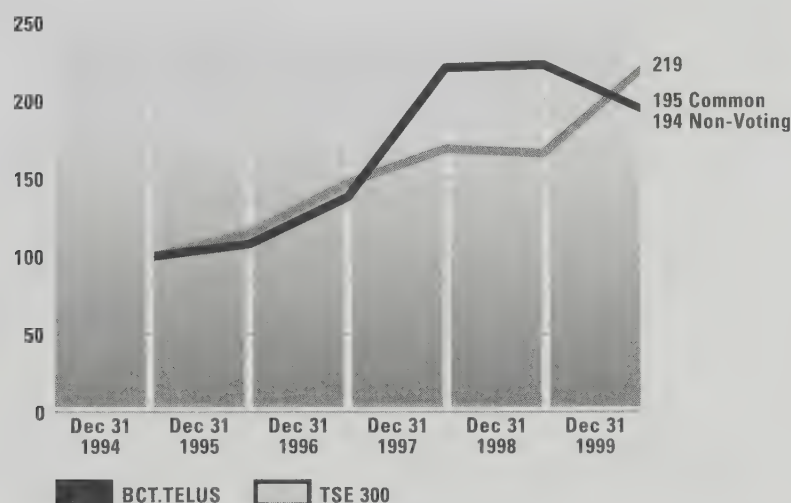
Roy A. Osing has accrued rights and benefits reflecting the BC TELECOM change of control policy with respect to the Plan of Arrangement between TELUS and BC TELECOM effective February 1, 1999. Roy A. Osing was appointed Executive Vice President and President, Advanced Communications, effective August 1, 1999. Roy A. Osing and BCT.TELUS have agreed that he has the right to receive certain accrued benefits reflective of the BC TELECOM change of control policy upon termination his employment with the Company for any reason and at any time.

The following named executive officers, Ian D. Mansfield, Roy A. Osing, and James W. Peters, will be entitled to severance benefits under a change of control policy approved by the Board of Directors of the Company on March 10, 1999 entitling such executive officers to 2 times their annual salary. Annual salary shall include base pay plus average annual incentive compensation. "Change of control" is defined to include the acquisition of 20 per cent or more of the Common Shares by a third party, other than GTE, the acquisition by GTE of 50 per cent or more of the Common Shares, and as otherwise determined by the Board of Directors in certain situations. The current President and Chief Executive Officer, Brian A. Canfield, is not entitled to such change of control benefits due to the interim nature of his appointment.

Any executive claiming benefits under the change of control policy of the Company is precluded from claiming severance benefits based upon the policies of the predecessors or in contract.

Performance Graph

The following graph compares the yearly change over the last five years in the cumulative total shareholder return on the Common and Non-Voting Shares of BCT.TELUS(1) with the cumulative total return on the TSE 300 Stock Index, assuming a \$100 investment on December 31, 1994 and reinvestment of dividends.



	Dec 31/94	Dec 31/95	Dec 31/96	Dec 31/97	Dec 31/98	Dec 31/99
BCT.TELUS						
Common	100	108	138	221	223	195
Non-Voting	100	108	138	221	223	194
TSE 300	100	115	147	169	166	219

(1) For the period December 31, 1994 to December 31, 1998 BCT.TELUS Common and Non-Voting Shares total returns are calculated at the January 31, 1999 merger ratio of 52.5 per cent of BC TELECOM's and 47.5 per cent of TELUS' share prices and dividends.

COMPENSATION OF DIRECTORS

BCT.TELUS Directors

Each director of the Company who is not an officer of the Company receives an annual fee for acting as a director, plus a further fee for each Board meeting attended. Effective February 1, 1999, these fees were set at \$20,000 and \$1,100, respectively. Chairs of committees receive a further annual retainer fee of \$5,000 and meeting fees of \$1,100 for each committee meeting attended. Committee members receive an annual retainer fee of \$2,000 and meeting fees of \$1,100 for each committee meeting attended. Directors who are requested by the Chairman to perform additional tasks or assignments on behalf of the Board are entitled in certain circumstances to receive an additional \$1,100 per diem fee for such services.

In lieu of the compensation set out above in 1999, the Chairman of the Company, received a retainer of \$175,000 per annum instead of Board and committee retainers and meeting fees.

The Board concurs with the position of the TSE as set out in its Report on Corporate Governance regarding the remuneration of directors in the form of shares. On May 10, 1999, the shareholders of the Company approved the Share Option and Compensation Plan. 100,000 of the 5,000,000 shares reserved pursuant to the Share Option and Compensation Plan have been allocated for directors compensation. Pursuant to the Plan, all outside directors who have not acquired the minimum equity ownership level of Common Shares, Non-Voting Shares or Deferred Share Units having a market value of \$100,000 will receive at their option a minimum of: their annual board retainer (less any required withholdings) in Common Shares or Non-Voting Shares or their annual board retainer in the form of Deferred Share Units. At the moment, any Common Shares or Non-Voting Shares required are purchased in the market on a quarterly basis by Montreal Trust Company of Canada, as purchasing agent.

On February 16, 2000, pursuant to the Share Option and Compensation Plan, each outside director, other than John S. Lacey, was granted 1050 stock options with a ten year term at an option price of \$38.29 being the fair market value determined as of the date of grant. The 2000 stock option grant, reflects an estimated present value of \$10,000 determined by the Black Scholes method.

In addition to the compensation set out above, Ron P. Triffo, the current Chairman of the Company, was granted 2,100 stock options with a ten year term at an option price of \$38.29 being the fair market value determined as of the date of grant. The 2000 stock option grant to Ron P. Triffo, reflects an estimated present value of \$20,000 determined by the Black Scholes method.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

To the extent permitted by law, the Company has entered into an indemnification agreement with each of its directors. The Company has directors' and officers' liability insurance which, subject to the provisions and exclusions contained in the policy, protects the directors and officers, as such, against any claims made during the term of their office against any of them for a wrongful act, provided they acted honestly and in good faith with a view to the best interest of the Company. Such insurance provides for a total of \$150 million (U.S.) coverage for both directors and officers as a group. The policy carries a \$250,000 (U.S.) per event deductible for each claim made under the indemnification liability coverage of the Company. A separate deductible of \$1,000,000 (U.S.) per event applies to any action brought by GTE Corporation.

ADDITIONAL MATTERS AND INFORMATION

Additional information about the Company will be contained in the Company's Annual Information Form and the audited financial statements of the Company for the year ended December 31, 1999. Copies of these documents are available upon request from the Vice-President and Corporate Secretary of the Company at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7.

BOARD APPROVAL

The Board of Directors has approved in substance the contents of this Information Circular and the sending of this Information Circular to the holders of Common Shares and Non-Voting Shares.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.



Brian A. Canfield
President and
Chief Executive Officer



Barry A. Baptie
Executive Vice-President,
Finance and Chief Financial Officer

APPENDIX "A"

TSE CORPORATE GOVERNANCE COMMITTEE GUIDELINES

COMMENTS

- 1. The board should explicitly assume responsibility for stewardship of the Corporation, and specifically for:**

- The Board of Directors has assumed responsibility for the stewardship of the Company by overseeing the management and operations of the business of the Company and supervising management, which is responsible for the day-to-day conduct of the business. The board policy manual and the terms of reference of the Board of Directors, committees and individual directors set out the purpose, procedure and organization, and responsibilities and duties of the Board and its committees.

- a. adoption of a strategic planning process**

- The Board has assumed responsibility for ensuring there are long-term goals and strategies in place for the Company. Goals and strategies will be prepared and reviewed by management with the Board on an annual basis and are a component of the Board's annual agenda.
- The Strategic Policy Committee of the Board and, the Board as a whole, participate in discussions on corporate strategy, and if appropriate, approve the strategies and implementation plans recommended by management.
- At least one extensive two-day board strategic planning session is held annually. A comprehensive and interactive strategic planning session with senior management and external advisors took place in June, 1999. The Strategic Policy Committee met three times in 1999 to review and comment on strategic matters prior to presentation by management to the Board for consideration.

b. identification of principal risks and the implementation of appropriate risk-management systems

- In addition, the Board provides periodic guidance throughout the year in the development of corporate strategies based on the strategic plan and annual business plans and at least quarterly, monitors the performance of management in relation to the strategic and operational objectives set out in the annual budget.
- The Board has assumed responsibility for identification of the principal risks of the Company's business and for ensuring the implementation of appropriate systems to manage these risks, as set out in its terms of reference of the Board and its committees.
- The Board determines the principal risks associated with Company business based on its knowledge of the telecommunications industry, the regulatory and competitive environment, general economic conditions, and information provided by management. At the request of the Audit Committee in 1999, the Internal and External Auditors conducted an extensive audit of business risk and prepared a report to the Audit Committee and the Board.
- Various committees of the Board implement and monitor the systems in place to address principal risks associated with the Company. The Audit Committee reviews and monitors risk management systems, environmental issues, disaster recovery plans, financial derivative exposure and insurance coverage. The Board identified Year 2000 compliance as a principal risk to the telecommunications industry and on its behalf, the Audit Committee reviewed and monitored the Company's activities and progress in this area at each of its meetings. Such activities were successful and no significant Year 2000 situations occurred.

c. succession planning and monitoring senior management

- The Human Resources and Compensation Committee periodically reviews the Company's organizational plan and structure and annually reviews the senior executive succession plan, recommending the same to the Board for approval.
- The Human Resources and Compensation Committee reviews annually or more frequently as required, succession plans for executive management and senior management, including specific development plans and career planning for potential successors.
- Succession planning is one of the objectives of the President and Chief Executive Officer. The President and Chief Executive Officer presents to the Board, on an annual basis, a plan for senior management succession and development.
- The performance of executive management is annually measured against pre-set objectives.

d. communications policy

- The Board has implemented appropriate structures to ensure complete, timely and effective communications between BCT.TELUS, its members, the public and regulatory agencies.
- Through the Audit Committee all public financial information is reviewed and recommended to the Board for approval prior to its release.

e. integrity of internal control and management information systems

- The Board ensures the integrity of internal control and management information systems through its delegation to various committees.
- The Audit Committee reviews and approves methods of controlling corporate assets and information systems and oversees the financial reporting process in accordance with Canadian Generally Accepted Accounting Principles.

2. Majority of directors are “unrelated”

- An “unrelated” director under the guidelines is:
 1. independent from management;
 2. free from any interest and any business or other relationship which could materially interfere with his or her ability to act in the best interests of the Company; and
 3. able to exercise objective judgment, independent from management.
- On rigorous application of this definition, 11 of the 16 proposed directors of the Company are unrelated to the Company.

3. Disclose whether each director is “unrelated”

- R.P. Triffo (Chairman), B.A. Canfield (President and Chief Executive Officer), M.T. Masin, F.F. Salloum and W.B. O’Donoghue are considered related board members. If elected at the Meeting, Messrs. Triffo, Canfield, Masin, Salloum and O’Donoghue will be the only directors who are related directors.
- The remainder of the present directors and nominees for election to the Board at the Meeting are unrelated. Additional disclosure on board members, with respect to their business experience and backgrounds, can be found in the Annual Information Form and Annual Report of the Company.

4. Appoint a committee responsible for appointment / assessment of directors, composed of a majority of unrelated directors

- The Corporate Governance Committee, all of whose members are unrelated, except for B.A. Canfield, is required to assess and make recommendations regarding board effectiveness and to establish a process for identifying, recruiting, appointing, reappointing and providing ongoing education and development, for directors.

- The Corporate Governance Committee annually reviews and recommends to the Board for approval the long-term plan for composition of the Board of Directors taking into consideration the current strengths, skills and experience on the Board, appropriate retirement criteria and the strategic direction of the Company.
 - Terms of reference relating to director criteria and the search process have been included in the board policy manual.
- 5. Implement a process for assessing the effectiveness of the board, its committees and individual directors**
- The Corporate Governance Committee, in conjunction with the Chairman of the Board, carries out an annual assessment process, including a questionnaire whereby the effectiveness of the Board as a whole is monitored, board processes are reviewed, and the Board's relationship with management is assessed.
- 6. Provide orientation and education programs for new directors**
- Management prepares and maintains a "Director's Policy Manual" to assist new and existing board members in performance of their duties, which is subject to periodic review and approval by the Corporate Governance Committee and the Board and updated from time to time.
 - The Corporate Governance Committee reviews, approves and reports to the Board on the directors' orientation processes and plans for the ongoing development of existing board members.
 - The President and Chief Executive Officer, in conjunction with the Chairman of the Board, also periodically select special educational or informational topics for presentation and discussion at board meetings, which deal with the business and regulatory environment, new technology and the telecommunications industry generally.

7. Consider reducing size of board, with a view to improve effectiveness

- An appropriate number of board members presenting a diversity of views and business experience must be elected to ensure the Board functions effectively. The Corporate Governance Committee reviews and recommends to the Board for approval the long-term plan for board composition and approves director nomination criteria to ensure the appropriate diversity of business experience.
- The Board currently believes 16 is the appropriate number of directors, as set out in the Articles of the Company.

8. Review compensation of directors in light of risks and responsibilities

- The Corporate Governance Committee reviews and recommends to the Board the compensation and benefits of board members. In this regard, the Committee analyzes, market data, time commitments, fees payable by other similar organizations and the responsibilities of directors in general.
- The Company intends to also ensure that Directors' compensation aligns the Board with the interests of shareholders, through the promotion of increased share ownership and performance based long-term equity based incentive compensation.
- The Board has approved a minimum equity ownership level for directors of \$100,000 to be acquired within five years of joining the Board. As of February 29, 2000, 11 of the 16 directors have reached the minimum equity ownership level. The Company adopted a Share Option and Compensation Plan, pursuant to which a minimum of the annual board retainer is directed to the purchase of BCT.TELUS Shares or paid in the form of Deferred Share Units, until the appropriate level is reached. Pursuant to the plan, a portion of the total annual directors' compensation is also delivered through stock options, the value and number of which is determined by market factors.

9. Committees should generally be composed of non-management directors and the majority of committee members should be unrelated

- BCT.TELUS believes the composition of committees is a key determinant to board independence. The Chairman is an officer of the Company but not a member of management. Under the board policy manual he is considered an inside director notwithstanding the part-time, non-executive nature of this function.
- All of the committees consist of a majority of unrelated directors. The Pension Committee and the Human Resources and Compensation Committee are composed entirely of outside directors.
- The current President and Chief Executive Officer, B.A. Canfield, may attend all committee meetings, but is only a voting member of the Corporate Governance Committee. The current Chairman of the Board, R.P. Triffo is the Chair of the Strategic Policy Committee, a member of the Audit Committee and may also attend other committee meetings.

10. Appoint a committee responsible for determining the Corporation's approach to corporate governance issues

- The Corporate Governance Committee is responsible for governance issues, including recommending to the Board for approval the Company's disclosure in response to the guidelines, an annual review of all terms of reference, periodic review of board and committee composition and ensuring on behalf of the Board that the corporate governance system effectively supports the discharge of the Board's obligations to the shareholders of the Company.

11. Define limits to management's responsibilities by developing mandates for:

a. the board

- The Board has a broad responsibility for supervising the management of the business and affairs of the Company. This is reflected in its terms of reference. The Board, on June 8, 1999 approved a Framework for Delegation from the Board to Executive Management, which further sets out the authority of executive management to make certain decisions involving the operations of the Company and its subsidiaries.

b. the Chief Executive Officer

- There are terms of reference for the President and Chief Executive Officer. As well, his annual performance objectives, which are reviewed and approved by the Board, constitute his mandate and further define the responsibilities of management.
- The Board reviews the performance of the President and Chief Executive Officer against his annual objectives.

12. Establish procedures to enable the board to function independently of management

- The Corporate Governance Committee is responsible for putting structures and processes in place to ensure the Board can function independently.
- The Board holds a session without management, including the President and Chief Executive Officer, present at each board meeting.
- The independence of the Board is further enabled through the separation of the positions of Chairman and President and Chief Executive Officer.

- Each of the committees has specific authority to retain external advisors, upon notice to the Corporate Governance Committee.
 - Members of the Board can request at any time, a meeting restricted to outside members of the Board for the purpose of discussing matters independently of management.
 - The Audit Committee, which is composed entirely of outside directors is responsible for reviewing audit functions and the preparation of financial statements, and reviewing and recommending for approval to the Board all public disclosure information such as financial statements, quarterly reports, financial news releases, annual information forms, management's discussion and analysis and prospectuses.
 - It also ensures that management has effective internal control systems and an appropriate relationship with the external auditors and meets regularly with the external auditors, without management present.
 - In addition to the authority of committees to retain external advisors in connection with their responsibilities, individual directors may engage outside advisors at any time, subject to the approval of the Corporate Governance Committee, to provide advice with respect to a corporate decision or action.
- 13. Establish an Audit Committee with a specifically defined mandate, with all members being outside directors**
- 14. Implement a system to enable individual directors to engage outside advisers, at the Corporation's expense**

APPENDIX "B"

MEMORANDUM

"COMPANY ACT"

MEMORANDUM OF TELUS CORPORATION

1. The name of the company is TELUS Corporation.
2. The authorized capital of the Company consists of 4,000,000,000 shares divided into:
 - a. 1,000,000,000 Common Shares without par value;
 - b. 1,000,000,000 Non-Voting Shares without par value;
 - c. 1,000,000,000 First Preferred Shares without par value; and
 - d. 1,000,000,000 Second Preferred Shares without par value.
3. The Common Shares without par value, the Non-Voting Shares without par value, the First Preferred Shares without par value and the Second Preferred Shares without par value shall have attached thereto the special rights and restrictions set forth in the Articles of the Company.

APPENDIX C

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF MARCH 20, 2000 BETWEEN BCT.TELUS COMMUNICATIONS
INC. AND MONTREAL TRUST COMPANY OF CANADA, AS RIGHTS AGENT

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SHAREHOLDER RIGHTS PLAN AGREEMENT

MEMORANDUM OF AGREEMENT dated as of March 20, 2000 between BCT.TELUS Communications Inc. ("TELUS"), a company incorporated under the laws of British Columbia, and Montreal Trust Company of Canada, a trust company incorporated under the laws of Canada (the "Rights Agent");

WHEREAS the board of directors of TELUS has determined that it is in the best interests of TELUS to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of TELUS are treated fairly in connection with any take-over bid for TELUS;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement, the board of directors of TELUS has:

(a) authorized the issuance, effective one minute after the Effective Date (as hereinafter defined), of one Series A right (a "Series A Right") in respect of each Common Share (as hereinafter defined) and one Series B right (a "Series B Right") in respect of each Non-Voting Share (as hereinafter defined) of TELUS in each case outstanding one minute after the Effective Date (the "Record Time"); and

(b) authorized the issuance of one Series A Right in respect of each Common Share and one Series B Right in respect of each Non-Voting Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined).

AND WHEREAS each Series A Right and each Series B Right (each a "Right") entitles the holder thereof, after the Separation Time, to purchase securities of TELUS pursuant to the terms and subject to the conditions set forth in this Agreement;

AND WHEREAS TELUS desires to appoint the Rights Agent to act on behalf of TELUS and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in this Agreement;

AND WHEREAS the board of directors of TELUS proposes that this Agreement be in place for a period of ten years, subject to the Agreement being reconfirmed by TELUS' shareholders every three years;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“Acquiring Person”** means any Person who is the Beneficial owner of more than 34.2 per cent of the outstanding Voting Shares; provided, however, that the term “Acquiring Person” shall not include:

- (i) TELUS or any Subsidiary of TELUS;
- (ii) any Person who becomes the Beneficial owner of more than 34.2 per cent of the outstanding Voting Shares as a result of one or any combination of (A) an acquisition or redemption by TELUS of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially owned by such Person to more than 34.2 per cent of the Voting Shares then outstanding, (B) Permitted Bid Acquisitions, (C) Pro Rata Acquisitions, or (D) Exempt Acquisitions; provided, however, that if a Person becomes the Beneficial owner of more than 34.2 per cent of the outstanding Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), or (D) above and such Person thereafter becomes the Beneficial owner of more than 1% of the number of outstanding Voting Shares (other than pursuant to one or more of any combination of Paragraphs (A), (B), (C) or (D) above), as the case may be, then as of the date such Person becomes the Beneficial owner of such additional Voting Shares, as the case may be, such Person shall become an “Acquiring Person”;
- (iii) for a period of 10 calendar days after the Disqualification Date (as defined below), any Person who becomes the Beneficial owner of more than 34.2% of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Clause 1.1(h)(iii)(B) solely because such Person is making or has announced a current intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, “Disqualification Date” means the first date of a public announcement of facts indicating that any Person is making or has announced a current intention to make a Take-over Bid; or
- (iv) an underwriter or member of a banking or selling group that becomes the Beneficial owner of more than 34.2% of the Voting Shares in connection with a distribution of securities of TELUS; or

- (v) a Person (a “Grandfathered Person”) who is the Beneficial owner of more than 34.2% of the outstanding Voting Shares determined as at the Record Time, provided, however, that this exception shall not be, and shall cease to be, applicable in the event that, after the Record Time: (1) such Grandfathered Person shall cease to own more than 34.2% of the outstanding Voting Shares, or (2) such Grandfathered Person becomes the Beneficial owner of any additional Voting Shares (other than pursuant to the conversion of Non-Voting Shares held as of the Record Time pursuant to the terms of TELUS’ articles of association) that increases its Beneficial ownership of Voting Shares, by more than 1% of the number of outstanding Voting Shares, other than through an acquisition pursuant to which the Grandfathered Person becomes a Beneficial Owner of additional Voting Shares by reason of one or any combination of the operation of Paragraphs 1.1(a)(ii)(A), (B), (C) or (D);
- (b) **“Adjusted Exercise Price”** means the price at which a holder may purchase the securities issuable upon exercise of Rights pursuant to the terms of Clause 3.1(a)(iii) which, until adjustment thereof in accordance with the terms hereof, shall be equal to the Exercise Price multiplied by a fraction in which:
- (i) the numerator is the number of Shares per Right that may be purchased pursuant to Clause 3.1(a)(iii); and
- (ii) the denominator is the number of Shares per Right that could have been purchased pursuant to Clause 3.1(a)(i) or 3.1(a)(ii) in the event that there had been sufficient authorized but unissued Common Shares or Non-Voting Shares to permit each holder of a Right (other than an Acquiring Person or a transferee of the kind described in Clause 3.1(b)(ii)) to purchase the number of Common Shares or Non-Voting Shares to which they would have been entitled under Clause 3.1(a)(i) or 3.1(a)(ii);
- (c) **“Adjustment Factor”** shall mean a fraction in which:
- (i) the numerator is equal to TELUS’ authorized but unissued: (A) Voting Shares in the case of Series A Rights, or (B) Non-Voting Shares in the case of Series B Rights; and
- (ii) the denominator is equal to TELUS’ issued and outstanding: (A) Voting Shares minus those Voting Shares that the Acquiring Person Beneficially owns in the case of Series A Rights, or (B) Non-Voting Shares in the case of Series B Rights;
- (d) **“Affiliate”**, when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such a specified Person.
- (e) **“Agreement”** means this shareholder rights plan agreement dated as of March 20, 2000 between TELUS and the Rights Agent, as may be amended and/or supplemented from time to time; “hereof”, “herein”, “hereto” and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (f) **“annual cash dividend”** means cash dividends paid in any fiscal year of TELUS, to the extent that such cash dividends do not exceed in the aggregate, the greatest of:
- (i) 200 per cent of the aggregate amount of cash dividends declared payable by TELUS on its Common Shares in its immediately preceding fiscal year;

- (ii) 300 per cent of the arithmetic mean of the aggregate amounts of the annual cash dividends declared payable by TELUS on its Common Shares in its three immediately preceding fiscal years; and
 - (iii) 100 per cent of the aggregate consolidated net Income of TELUS, before extraordinary items, for its immediately preceding fiscal year;
- (g) **“Associate”** means, when used to indicate a relationship with a specified Person, a spouse of that Person, any Person of the same or opposite sex with whom that Person is living in a conjugal relationship outside marriage, a child of that Person, or a relative of that Person who has the same residence as that Person;
- (h) A Person shall be deemed the **“Beneficial owner”** of, and to have **“Beneficial ownership”** of, and to **“Beneficially own”**,
- (i) any securities as to which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities as to which such Person or any of such Person’s Affiliates or Associates has the right (other than pursuant to the conversion of Non-Voting Shares held as of the Record Time pursuant to the terms of TELUS’ articles of association) to become the owner at law or in equity (whether such right is exercisable immediately or within a period of 60 days thereafter and whether or not on condition or the happening of any contingency or the making of any payment) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of business), or upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrant or option; and
 - (iii) any securities which are Beneficially owned within the meaning of Clauses 1.1(h)(i) or (ii) by any other Person with whom such Person is acting jointly or in concert;
- provided, however, that a Person shall not be deemed the **“Beneficial owner”** of, or to have **“Beneficial ownership”** of, or to **“Beneficially own”**, any security:
- (A) because such security has been deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person referred to in Clause 1.1(h)(iii), until the earlier of such deposited or tendered security being taken up or paid for;
 - (B) because such Person, any of such Person’s Affiliates or Associates or any other Person referred to in Clause 1.1(h)(iii) holds such security provided that,
 - (1) the ordinary business of any such Person (the **“Investment Manager”**) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager’s duties for the account of any other Person (a **“Client”**);

- (2) such Person (the "Trust Company") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "Estate Account") or in relation to other accounts (each an "Other Account") and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
- (3) such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the "Statutory Body") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;
- (4) such Person (the "Administrator") is the administrator or trustee of one or more pension funds, plans or related trusts (a "Plan") registered or qualified under the laws of Canada or any Province thereof or the laws of the United States of America or any state thereof or is a Plan; or
- (5) such Person is a Crown agent or agency;

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator, the Plan, or the Crown agent or agency, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid other than an Offer to Acquire Voting Shares or other securities by means of a distribution by TELUS or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person;

- (C) because such security has been agreed to be deposited or tendered pursuant to a Lock-up Agreement, or is otherwise deposited or tendered, to any Take-over Bid made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall first occur;
- (D) because such Person is (1) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (3) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
- (E) where such Person is (1) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (2) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (3) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
- (F) where such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;

- (i) **"BCCA"** means the *British Columbia Company Act*, R.S.B.C. 1996, c.62, as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;
- (j) **"Board of Directors"** means the board of directors of TELUS or any duly constituted and empowered committee thereof;
- (k) **"Business Day"** means any day other than a Saturday, Sunday or a day on which banking institutions in Calgary are authorized or obligated by law to close;
- (l) **"Canadian Dollar Equivalent"** of any amount which is expressed in United States Dollars means, on any date, the Canadian dollar equivalent of any such amount determined by multiplying such amount by the U.S. - Canadian Exchange Rate in effect on such date;
- (m) **"Canadian-U.S. Exchange Rate"** means, on any date, the inverse of the U.S.-Canadian Exchange Rate in effect on such date;
- (n) **"close of business"** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal office in Calgary of the transfer agent for the Shares of TELUS (or, after the Separation Time, the principal transfer office in Calgary of the Rights Agent) is closed to the public;
- (o) **"Common Shares"** means the common shares in the capital of TELUS;
- (p) **"Competing Permitted Bid"** means a Take-over Bid that:
 - (i) is made after another Permitted Bid has been made and prior to the expiry of that other Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in clause (ii) of the definition of a Permitted Bid; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date that is no earlier than the later of: (a) 21 days after the date of the Take-over Bid; and (b) the 60th day after the earliest date on which any other Permitted Bid that is then in existence was made;
- (q) **"controlled"** – a company is "controlled" by another Person or two or more Persons acting jointly or in concert if:
 - (i) securities entitled to vote in the election of directors carrying more than 50 per cent of the votes for the election of directors are held, directly or indirectly, by or on behalf of the other Person or two or more Persons acting jointly or in concert; and
 - (ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such company;
 and "controls", "controlling" and "under common control with" shall be interpreted accordingly;
- (r) **"Co-Rights Agents"** has the meaning ascribed thereto in Subsection 4.1(a);
- (s) **"Disposition Date"** has the meaning ascribed thereto in Subsection 5.1(a);

- (t) **“Dividend Reinvestment Acquisition”** means an acquisition of Voting Shares of any class pursuant to a Dividend Reinvestment Plan;
- (u) **“Dividend Reinvestment Plan”** means a regular dividend reinvestment or other program plan of TELUS made available by TELUS to holders of its securities and/or to holders of securities of a Subsidiary of TELUS, where such program or plan permits the holder to direct that some or all of:
 - (i) dividends paid in respect of shares of any class of TELUS or a Subsidiary;
 - (ii) proceeds of redemption of shares of TELUS or a Subsidiary;
 - (iii) interest paid on evidences of indebtedness of TELUS or a Subsidiary; or
 - (iv) optional cash payments;be applied to the purchase of Voting Shares;
- (v) **“Effective Date”** means March 20, 2000.
- (w) **“Election to Exercise”** has the meaning ascribed thereto in Subsection 2.2(d);
- (x) **“Exempt Acquisition”** means a share acquisition in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsections 5.1(a), (b) or (e);
- (y) **“Exercise Price”** means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Series A Right or one whole Series B Right which, until adjustment thereof in accordance with the terms hereof, shall be \$160;
- (z) **“Expansion Factor”** has the meaning ascribed thereto in Subsection 2.3(a);
- (aa) **“Expiration Time”** means the close of business on that date which is the earliest date of termination of this Agreement as provided for in Section 5.15 or, if this Agreement is confirmed and subsequently reconfirmed pursuant to Section 5.15 at the third and sixth annual meetings following TELUS’ annual and special meeting of shareholders in 2000, the close of business on the tenth anniversary of the Effective Date;
- (bb) **“Flip-in Event”** means a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (cc) **“holder”** has the meaning ascribed thereto in Section 2.8;
- (dd) **“Independent Shareholders”** means holders of any Shares, other than (a) any Acquiring Person, (b) any Offeror (other than any Person who pursuant to Clause 1.1(h) is not deemed to Beneficially own the Voting Shares held by such Person), (c) any Affiliate or Associate of any Acquiring Person or Offeror, (d) any Person acting jointly or in concert with any Acquiring Person or Offeror, and (e) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of TELUS or a Subsidiary of TELUS, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or withheld from voting or direct whether the Voting Shares are to be tendered to a Take-over Bid;

(ee) **“Lock-up Agreement”** means an agreement between an Offeror, any of its Affiliates or Associates or any other Person acting jointly or in concert with the Offeror and a Person (the “Locked-up Person”) who is not an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror whereby the Locked-up Person agrees to deposit or tender the Voting Shares held by the Locked-up Person to the Offeror’s Take-over Bid or to any Take-over Bid made by any of the Offeror’s Affiliates or Associates or made by any other Person acting jointly or in concert with the Offeror (the “Lock-up Bid”), provided that:

(i) the agreement:

(A) permits the Locked-up Person to withdraw the Voting Shares from the agreement in order to tender or deposit the Voting Shares to another Take-over Bid or to support another transaction that contains an offering price for each Voting Share that is higher than the offering price contained in or proposed to be contained in the Lock-up Bid; or

(B) (a) permits the Locked-up Person to withdraw the Voting Shares from the agreement in order to tender or deposit the Voting Shares to another Take-over Bid or to support another transaction that contains an offering price for each Voting Share that exceeds by as much as or more than a specified amount (the “Specified Amount”) the offering price for each Voting Share contained in or proposed to be contained in the Lock-up Bid; and (b) does not by its terms provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid;

and, for greater clarity, an agreement may contain a right of first refusal or require a period of delay to give an offeror an opportunity to match a higher price in another take-over bid or other similar limitation on a Locked-up Person as long as the Locked-up Person can accept another bid or tender to another transaction; and

(ii) no “break-up” fees, “top-up” fees, penalties or other amounts that exceed in the aggregate one half of the cash equivalent of any amount in excess of the amount offered under the Lock-up Bid and that the Locked-up Person receives pursuant to another Take-over Bid or transaction shall be payable pursuant to the agreement in the event that the Locked-up Person fails to tender Voting Shares pursuant thereto in order to accept the other Take-over Bid or support another transaction.

(ff) **“Market Price”** per share of any securities on any date of determination means the average of the daily closing sale prices per share of such class of securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing sale prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing sale price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing sale price per share of any securities on any date shall be:

- (i) the closing board lot sale price per share or, if such price is not available, the average of the closing bid and asked prices, for each of such securities as reported by the principal Canadian securities exchange (as determined by volume of trading) on which such securities are listed or admitted to trading, or if for any reason neither of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian securities exchange, the closing board lot sale price per share or, if such price is not available, the average of the closing bid and asked prices, for each security as reported by the principal United States securities exchange (as determined by volume of trading) on which such securities are listed or admitted for trading;
- (ii) if for any reason none of such prices is available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or a United States securities exchange, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as quoted by any reporting system then in use; or
- (iii) if for any reason none of such parties is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a United States securities exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities;

provided, however, that if on any such date none of such prices is available, the closing sale price per share of such securities on such date shall mean the fair value per share of the securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker and provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused any price used to determine the Market Place on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof.

- (gg) **“Nominee”** has the meaning ascribed thereto in Subsection 2.2(c);
- (hh) **“Non-Voting Shares”** means the Non-Voting Shares in the capital of TELUS;
- (ii) **“Offer to Acquire”** includes:
 - (i) an offer to purchase or a solicitation of an offer to sell Voting Shares of any class or classes, and
 - (ii) an acceptance of an offer to sell Voting Shares of any class or classes, whether or not such offer to sell has been solicited,

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

- (jj) **“Offeror”** means a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
- (kk) **“Offeror’s Securities”** means Voting Shares Beneficially owned by an Offeror on the date of the Offer to Acquire;
- (ll) **“Permitted Bid”** means a Take-over Bid made by an Offeror that is made by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of Voting Shares other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up and paid for pursuant to the Take-over Bid (A) prior to the close of business on a date which is not less than 60 days following the date of the Take-over Bid and (B) unless at such date more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
 - (iii) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period described in Clause 1.1(ll)(ii)(A) and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (iv) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that in the event that the deposit condition set forth in Clause 1.1(ll)(ii)(B) is satisfied the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 Business Days from the date of such public announcement;
- (mm) **“Permitted Bid Acquisition”** means an acquisition of Voting Shares of any class made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (nn) **“Person”** includes an individual, firm, association, trustee, executor, administrator, legal personal representative, body corporate, company, trust, partnership, joint venture syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group whether or not having legal personality, any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;

- (oo) **“Pro Rata Acquisition”** means an acquisition of Voting Shares pursuant to: (i) a Dividend Reinvestment Acquisition; (ii) a Dividend Reinvestment Plan; or (iii) the receipt and/or exercise of rights issued by TELUS to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares, provided that such rights are acquired directly from TELUS as part of a rights offering and not from any other Person; or (iv) a distribution by TELUS of Voting Shares, or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities) made pursuant to a prospectus or a distribution by way of private placement by TELUS, provided that the Person does not thereby acquire a greater percentage of such Voting Shares, or securities convertible or exchangeable for Voting Shares of that class, than the Person’s percentage of Voting Shares Beneficially owned immediately prior to such acquisition;
- (pp) **“Record Time”** has the meaning set forth in the recitals to this Agreement;
- (qq) **“Redemption Price”** has the meaning set forth in Subsection 5.1(c) of this Agreement;
- (rr) **“Rights”** mean the Series A Rights and the Series B Rights and **“Right”** shall mean either a Series A Right or a Series B Right;
- (ss) **“Rights Agent”** means Montreal Trust Company of Canada, a trust company incorporated under the laws of Canada or any successor Rights Agent appointed pursuant to Section 4.4;
- (tt) **“Rights Certificate”** means either a “Series A Rights Certificate” or a “Series B Rights Certificate” each of which represents the Rights after the Separation Time, which shall be substantially in the forms attached hereto as Attachments 1 and 2;
- (uu) **“Rights Holders’ Special Meeting”** means a meeting of the holders of Rights called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Subsection 5.4(c);
- (vv) **“Rights Register”** and **“Rights Registrar”** have the meanings ascribed thereto in Subsection 2.7(a);
- (ww) **“Securities Act (British Columbia)”** means the Securities Act, R.S.B.C. 1996, c.418, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto;
- (xx) **“Securities Act (Ontario)”** means the Securities Act, R.S.O. 1990, c.S.5, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto;
- (yy) **“Separation Time”** means the close of business on the tenth Trading Day after the earlier of:
- (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of or first public announcement of the intent of any Person (other than TELUS or any Subsidiary of TELUS) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as the case may be); and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such,

or such later date as may be determined by the Board of Directors, provided that, if any such Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made;

- (zz) **“Series A Right”** means a right to purchase a Common Share of TELUS, upon the terms and subject to the conditions set forth in this Agreement;
- (aaa) **“Series B Right”** means a right to purchase a Non-Voting Share of TELUS, upon the terms and subject to the conditions set forth in this Agreement;
- (bbb) **“Shares”** means the Common Shares and the Non-Voting Shares and **“Share”** shall mean either a Common Share or a Non-Voting Share;
- (ccc) **“Special Meeting”** means a special meeting of the holders of Voting Shares, called by the Board of Directors for the purpose of approving a supplement, amendment or variation to this Agreement pursuant to Subsection 5.4(b) or Subsection 5.4(c);
- (ddd) **“Stock Acquisition Date”** means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to section 111 of the *Securities Act* (British Columbia), section 101 of the *Securities Act* (Ontario) or Section 13(d) of the *U.S. Exchange Act* by TELUS or an Acquiring Person that an Acquiring Person has become such;
- (eee) **“Subsidiary”** – a company is a Subsidiary of another company if:
 - (i) it is controlled by:
 - (A) that other, or
 - (B) that other and one or more companies each of which is controlled by that other, or
 - (C) two or more companies each of which is controlled by that other, or
 - (ii) it is a Subsidiary of a company that is that other’s Subsidiary;
- (fff) **“Take-over Bid”** means an Offer to Acquire Voting Shares, or securities convertible into Voting Shares if, assuming that the Voting Shares or convertible securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) together with the Offeror’s Securities constitute in the aggregate 20 per cent or more of either the outstanding Voting Shares at the date of the offer to Acquire;
- (ggg) **“TELUS”** means BCT.TELUS Communications Inc., a company governed by the laws of British Columbia together where the context requires, with its subsidiaries;

- (hhh) **“Trading Day”**, when used with respect to any securities, means a day on which the principal Canadian securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a day on which the principal United States securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian or United States securities exchange, a Business Day;
- (iii) **“U.S.-Canadian Exchange Rate”** means, on any date:
- (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith;
- (jjj) **“U.S. Dollar Equivalent”** of any amount which is expressed in Canadian dollars means, on any date, the United States dollar equivalent of such amount determined by multiplying such amount by the Canadian-U.S. Exchange Rate in effect on such date;
- (kkk) **“U.S. Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced;
- (lll) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced; and
- (mmm) **“Voting Shares”** means the Common Shares of TELUS and any other shares in the capital of TELUS entitled to vote in the election of directors.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings

The division of this Agreement into Articles, Sections, Subsections, Clauses, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

For purposes of this Agreement, the percentage of Voting Shares of any class Beneficially owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

A = the number of votes for the election of all directors on the Board of Directors generally attaching to the Voting Shares of that class Beneficially owned by such Person; and

B = the number of votes for the election of all directors on the Board of Directors generally attaching to all outstanding Voting Shares of such class.

Where any Person is deemed to Beneficially own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares owned by such Person.

1.5 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with every Person who, as a result of any agreement, commitment or understanding whether formal or informal, with the first Person, acquires or offers to acquire Voting Shares (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities or pledges of securities in the ordinary course of business).

1.6 Generally Accepted Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

ARTICLE 2 – THE RIGHTS

2.1 Legend on Common Share Certificates

- (a) Certificates for shares issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to the Shares, one Series A Right or one Series B Right for each Common or Non-Voting Share, respectively, represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the Separation Time (defined in the Shareholder Rights Plan Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement, dated as of March 20, 2000 (the “Shareholder Rights Plan Agreement”), between BCT.TELUS Communications Inc. (the “Company”) and Montreal Trust Company of Canada, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Company. Under certain circumstances set out in the Shareholder Rights Plan Agreement, the rights may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Company will mail or arrange for the mailing of a copy of the Shareholder Rights Plan Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Share certificates that are issued and outstanding at the Record Time, which as at the Effective Date represent Common Shares or Non-Voting Shares, shall also evidence one Right for each Common Share or Non-Voting Share evidenced thereby, notwithstanding the absence of the foregoing legend, until the close of business on the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Series A Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (with the Exercise Price and number of Common Shares being subject to adjustment as set forth below) and each Series B Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Non-Voting Share for the Exercise Price (with the Exercise Price and number of Non-Voting Shares being subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by TELUS or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Common Share or Non-Voting Share of TELUS registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share or Non-Voting Share of TELUS.

(c) From and after the Separation Time and prior to the Expiration Time:

- (i) the Rights shall be exercisable; and
- (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares and Non-Voting Shares of TELUS.

Promptly following the Separation Time, TELUS will prepare and the Rights Agent will mail to each holder of record of Shares as of the Separation Time (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of subsection 3.1(b) and, in respect of any Rights Beneficially owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a "Nominee")), at such holder's address as shown by the records of TELUS (TELUS hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate in substantially the form set out in Attachment 1 hereof appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as TELUS may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (y) a description of the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Shares of TELUS held of record by it which are not Beneficially owned by an Acquiring Person. In order for TELUS to determine whether any Person is holding Shares which are Beneficially owned by another Person, TELUS may require such first mentioned Person to furnish such information and documentation as TELUS deems necessary or appropriate in order to make such determination.

(d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent in the manner specified in the Rights Certificate:

- (i) the Rights Certificate evidencing such Rights;
- (ii) an election to exercise such Rights (an "Election to Exercise") substantially in the form attached to the Rights Certificate appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
- (iii) payment by certified cheque, banker's draft or money order payable to the order of TELUS, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares or Non-Voting Shares in a name other than that of the holder of the Rights being exercised.

- (e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Clause 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Clause 2.2(d)(iii), the Rights Agent (unless otherwise instructed by TELUS in the event that TELUS is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
- (i) requisition from the transfer agent certificates representing the number of such Common Shares and Non-Voting Shares to be purchased (TELUS hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
 - (ii) when appropriate, requisition from TELUS the amount of cash to be paid in lieu of issuing fractional Common Shares and Non-Voting Shares;
 - (iii) after receipt of the certificates referred to in Clause 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver the cash referred to in Clause 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
 - (v) tender to TELUS all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) TELUS covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Shares (subject to payment of the Exercise Price), be duly authorized, validly issued and fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with the requirements of the *BCCA*, the *Securities Act* (British Columbia), the *Securities Act* (Ontario), the *U.S. Securities Act*, the *U.S. Exchange Act* and the securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which such Shares were traded immediately prior to the Stock Acquisition Date;

- (iv) pay when due and payable, if applicable, any and all Canadian and United States federal, provincial, state and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of TELUS to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or certificates for Shares to be issued upon exercise of any Rights, provided that TELUS shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (v) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event TELUS shall at any time after the date of the Record Time and prior to the Expiration Time:
 - (i) declare or pay a dividend on the Shares payable in Shares (or other securities exchangeable for or convertible into or giving a right to acquire Shares or other securities of TELUS) other than pursuant to any Dividend Reinvestment Plan;
 - (ii) subdivide or change the then outstanding Shares into a greater number of Shares;
 - (iii) consolidate or change the then outstanding Shares into a smaller number of Shares; or
 - (iv) issue any Shares (or other securities exchangeable for or convertible into or giving a right to acquire Shares or other securities of TELUS) in respect of, in lieu of or in exchange for existing Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights, shall be adjusted as of the payment or effective date in the manner set forth below. If an event occurs which would require an adjustment under both this Section 2.3 and subsection 3.1(a), the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under subsection 3.1(a).

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Shares (or other capital stock) (the "Expansion Factor") that a holder of one Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and

(y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, TELUS shall issue any shares of capital stock other than Shares in a transaction of a type described in Clause 2.3(a)(i) or (iv), shares of such capital stock shall be treated herein as nearly equivalent to Shares as may be practicable and appropriate under the circumstances and TELUS and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event TELUS shall at any time after the Record Time and prior to the Separation Time issue any Shares otherwise than in a transaction referred to in this Subsection 2.3(a), each such Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Share.

(b) In the event TELUS shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per share) less than the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and
- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by TELUS; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 95% of the current market price per share (determined as provided in such plans) of the Common Shares. The foregoing provisions shall apply *mutatis mutandis* to the issuance of rights, options or warrants to all holders of Non-Voting Shares.

- (c) In the event TELUS shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger or amalgamation) of evidences of indebtedness, cash (other than an annual cash dividend or a dividend referred to in Section 2.3(a)(i), but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding those referred to in Subsection 2.3(b) hereof), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and
 - (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed. The foregoing provisions shall apply *mutatis mutandis* to a distribution to all holders of Non-Voting Shares.

- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Subsection 2.3(d), any adjustment required by Section 2.3 shall be made no later than the earlier of:
- (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Date.
- (e) In the event TELUS shall at any time after the Record Time and prior to the Separation Time issue any shares of capital stock (other than Shares), or rights, options or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock in a transaction referred to in Clauses 2.3(a)(i) or (iv) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsections 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a), (b) and (c) above, such adjustments, rather than the adjustments contemplated by Subsections 2.3(a), (b) and (c) above, shall be made, subject to the prior consent of the holders of the Voting Shares or the Rights as set forth in subsection 5.4(b) or (c), and TELUS and the Rights Agent shall have authority upon receiving such consent to amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by TELUS subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided for herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Share and the number of Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, TELUS may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Shares and other securities of TELUS, if any, issuable upon such exercise over and above the number of Shares and other securities of TELUS, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that TELUS shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

(i) Notwithstanding anything contained in this Section 2.3 to the contrary, TELUS shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:

- (i) consolidation or subdivision of Shares;
- (ii) issuance (wholly or in part for cash) of Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
- (iii) stock dividends; or
- (iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by TELUS to holders of its Shares, shall not be taxable to such shareholders.

(j) If, as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any securities other than Shares, thereafter the number of such other securities so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as may be practicable to the provisions with respect to the Shares contained in the foregoing subsections of this Section 2.3 and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other securities.

(k) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon the exercise of Rights is made pursuant to this Section 2.3, TELUS shall promptly:

- (i) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
- (ii) file with the Rights Agent and with each transfer agent for the Shares, a copy of such certificate; and
- (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Share transfer books of TELUS are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Share transfer books of TELUS are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of TELUS by any two directors or officers of TELUS under the corporate seal of TELUS reproduced thereon. The signature of any of these officers or directors on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers or directors of TELUS shall bind TELUS, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after TELUS learns of the Separation Time, TELUS will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by TELUS to the Rights Agent for countersignature, and the Rights Agent shall countersign (in a manner satisfactory to TELUS) and send such Rights Certificates to the holders of the Rights pursuant to Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) TELUS will cause to be kept a register (the "Rights Register") in which, subject to such reasonable regulations as it may prescribe, TELUS will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the "Rights Registrar") for the purpose of maintaining the Rights Register for TELUS and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(c), TELUS will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of TELUS, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to TELUS or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, TELUS may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) TELUS shall not be required to register the transfer or exchange of any Rights after the Rights have been terminated pursuant to the provisions of this Agreement.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, TELUS shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to TELUS and the Rights Agent prior to the Expiration Time:
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (ii) such security or indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to TELUS or the Rights Agent that such Rights Certificate has been acquired by a *bona fide* purchaser, TELUS shall execute and upon TELUS' request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, TELUS may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of TELUS, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

TELUS, the Rights Agent and any agent of TELUS or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. TELUS may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which TELUS may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.10, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to TELUS.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with TELUS and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Share certificate) for registration of transfer, TELUS, the Rights Agent and any agent of TELUS or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Share certificate made by anyone other than TELUS or the Rights Agent) for all purposes whatsoever, and neither TELUS nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that without the approval of any holder of Rights or Shares and upon the sole authority of the Board of Directors, this Agreement may be supplemented or amended from time to time pursuant to Subsection 5.4(a) and the last sentence of the penultimate paragraph of Subsection 2.3(a); and
- (g) that notwithstanding anything in this Agreement to the contrary, neither TELUS nor the Rights Agent shall have any liability to any holder of a Right or to any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a government, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share, Non-voting Share or any other share or security of TELUS which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares, Non-Voting Share or any other shares or securities of TELUS or any right to vote at any meeting of shareholders of TELUS whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares, Non-Voting Share or any other shares of TELUS at any meeting thereof, or to give or withhold consent to any action of TELUS, or to receive notice of any meeting or other action affecting any holder of Common Shares, Non-Voting Share or any other shares of TELUS except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 – ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Subsection 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, then:
 - (i) each Series A Right shall constitute, effective at the close of business on the eighth Trading Day after the Stock Acquisition Date, the right to purchase from TELUS, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred);
 - (ii) each Series B Right shall constitute, effective at the close of business on the eighth Trading Day after the Stock Acquisition Date, the right to purchase from TELUS, upon exercise thereof in accordance with the terms hereof, that number of Non-Voting Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred);

(iii) in the event that there are insufficient authorized but unissued Shares to permit each holder of a Right (other than an Acquiring Person or a transferee of the kind described in Clause 3.1(b)(ii)) to purchase from TELUS that number of Shares per Right provided for in Clause 3.1(a)(i) or 3.1(a)(ii), then until such time as holders of Shares approve an increase in TELUS' authorized capital such that there are sufficient authorized but unissued Shares to permit each holder of a Right (other than an Acquiring Person or a transferee of the kind described in Clause 3.1(b)(ii)) to purchase from TELUS that number of Shares per Right provided for in Clause 3.1(a)(i) or 3.1(a)(ii), each whole Right shall constitute, effective at the close of business on the eighth Trading Day after the Stock Acquisition Date, the right to purchase from TELUS, upon exercise thereof in accordance with the terms hereof, that number of Shares that is equal to one Share multiplied by the Adjustment Factor for an amount in cash equal to the Adjusted Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:

- (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
- (ii) a transferee of Rights, directly or indirectly, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person), that has the purpose or effect of avoiding Clause 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

(c) From and after the Separation Time, TELUS shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the *BCCA*, the *Securities Act* (British Columbia) the *Securities Act* (Ontario), the *U.S. Securities Act*, the *U.S. Exchange Act* and the securities laws or comparable legislation in each of the provinces of Canada and each of the States of the United States in respect of the issue of Shares upon the exercise of Rights in accordance with this Agreement.

- (d) Any Rights Certificate that would represent Rights Beneficially owned by a Person described in either Clause 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate that would be issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall either not be issued upon the instruction of TELUS in writing to the Rights Agent or contain the following legend:

The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Shareholder Rights Plan Agreement.

Provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by TELUS in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Subsection 3.1(d) shall be of no effect on the provisions of Subsection 3.1(b).

ARTICLE 4 – THE RIGHTS AGENT

4.1 General

- (a) TELUS hereby appoints the Rights Agent to act as agent for TELUS and the holders of the Rights in accordance with the terms and conditions of this Agreement, and the Rights Agent hereby accepts such appointment. TELUS may from time to time appoint one or more co-Rights Agents (“Co-Rights Agents”) as it may deem necessary or desirable, subject to the approval of the Rights Agent. In the event TELUS appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as TELUS may determine with the approval of the Rights Agent and the Co-Rights Agents. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements reasonably incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of TELUS, such approval not to be unreasonably withheld). TELUS also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including legal costs and expenses, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Shares, Rights Certificate, certificate for other securities of TELUS, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

TELUS shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of TELUS.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any company into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any company resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any company succeeding to the securityholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such company would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which TELUS and the holders of certificates for Shares and Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent may retain and consult with legal counsel (who may be legal counsel for TELUS) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at TELUS' expense) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert;
- (b) whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by TELUS prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by Persons believed by the Rights Agent to be any two directors or officers of TELUS and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder for its own negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by TELUS only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by TELUS of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exerciseability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Shares to be issued pursuant to this Agreement or any Rights or as to whether any Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
- (f) TELUS agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individuals believed by the Rights Agent to be any two officers or directors of TELUS, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;
- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Shares, Rights or other securities of TELUS or become pecuniarily interested in any transaction in which TELUS may be interested, or contract with or lend money to TELUS or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for TELUS or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to TELUS resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to TELUS) in writing mailed to TELUS and to each transfer agent of Shares by registered or certified mail. TELUS may remove the Rights Agent upon 60 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, TELUS will appoint a successor to the Rights Agent. If TELUS fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to TELUS the resigning Rights Agent (at TELUS' expense) or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by TELUS), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by TELUS or by such a court, shall be a company incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of British Columbia. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, TELUS will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

ARTICLE 5 – MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors shall waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Stock Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1 (a) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “Disposition Date”), has reduced its Beneficial ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.
- (b) The Board of Directors acting in good faith may, prior to a Flip-in Event having occurred, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a Flip-in Event that may occur by reason of a Take-over Bid made by means of take-over bid circular to all holders of record of Voting Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1 (a)), provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(b), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-Over Bid which is made by means of a Take-Over Bid circular to all holders of Voting Shares prior to the expiry of any Take-Over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been granted under this Subsection 5.1(b).
- (c) In the event that prior to the occurrence of a Flip-in Event a Person acquires, pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Subsection 5.1(b), outstanding Voting Shares, then the Board of Directors shall, immediately upon the consummation of such acquisition without further formality be deemed to have elected to redeem the Rights at a redemption price of \$0.0001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the “Redemption Price”).
- (d) The Board of Directors may, with the prior approval of the holders of Voting Shares or Rights given in accordance with the terms of Section 5.4, at any time prior to the occurrence of a Flip-in Event elect to redeem all but not less than all of the then outstanding Rights at the Redemption Price appropriately adjusted in a manner analogous to the applicable adjustments provided for in Section 2.3, which adjustments shall only be made in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred.

- (e) The Board of Directors may, prior to the close of business on the tenth Trading Day following a Stock Acquisition Date or such later Business Day as they may from time to time determine, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to the related Flip-in Event, provided that the Acquiring Person has reduced its beneficial ownership of Voting Shares (or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within 10 calendar days of the date on which such contractual arrangement is entered into or such other date as the Board of Directors may have determined) such that at the time the waiver becomes effective pursuant to this Subsection 5.1(e) such Person is no longer an Acquiring Person. In the event of such a waiver becoming effective prior to the Separation Time, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred.
- (f) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Upon the Rights being redeemed pursuant to this subsection 5.1(f), all the provisions of this Agreement shall continue to apply as if the Separation time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this agreement the Separation Time shall be deemed not to have occurred and TELUS shall be deemed to have issued replacement Rights to the holders of its then outstanding Shares.
- (g) If the Board of Directors is deemed under Subsection 5.1(c) to have elected or elects under Subsections 5.1(d) or (f) to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (h) Within 10 calendar days after the Board of Directors is deemed under Subsection 5.1(c) to have elected or elects under Subsection 5.1(d) or (f) to redeem the Rights, TELUS shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.
- (i) TELUS shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 pursuant to this subsection 5.1.

5.2 EXPIRATION

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Subsection 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, TELUS may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) TELUS may make any amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of the Agreement as a result of any change in any applicable legislation, regulations or rules thereunder. TELUS may, prior to the date of the first Special Meeting referred to in Section 5.15, supplement or amend this Agreement without the approval of any holders of Rights or Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), TELUS may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if provided by the holders of Voting Shares at a Special Meeting, which Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and the requirements in the articles of TELUS. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all holders of Voting Shares (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially owned by such Person), represented in person or by proxy at the Special Meeting.
- (c) TELUS may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Rights at a Rights Holders' Special Meeting, which Rights Holders' Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the articles of TELUS applicable to meetings of holders of Shares, applied mutatis mutandis. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Subsection 3.1(b)), represented in person or by proxy at the Rights Holders' Special Meeting.

- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are null and void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in TELUS' articles and the BCCA with respect to the meetings of holders of Common Shares.
- (e) Any amendments made by TELUS to this Agreement pursuant to Subsection 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, regulation or rule thereunder shall:
 - (i) if made before the Separation Time, be submitted to the holders of Voting Shares at the next meeting of shareholders and the holders of Voting Shares may, by the majority referred to in Subsection 5.4(b) confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of TELUS and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d) confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

5.5 Fractional Rights and Fractional Shares

- (a) TELUS shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and TELUS shall not be required to pay any amount to a holder of record of Rights Certificates in lieu of such fractional Rights.
- (b) TELUS shall not be required to issue fractions of Shares upon exercise of Rights or to distribute certificates which evidence fractional Shares. In lieu of issuing fractional Shares, TELUS shall be entitled to pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Share that the fraction of a Share that would otherwise be issuable upon the exercise of such Right is of one whole Share at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against TELUS to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holder of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of TELUS or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of any stock exchange shall be obtained, such as approvals relating to the issuance of Shares upon the exercise of Rights under Subsection 2.2(d).

5.8 Declaration as to Non-Canadian Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by TELUS with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall TELUS or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on TELUS shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

BCT.TELUS Communications Inc.
Floor 21, 3777 Kingsway
Burnaby, British Columbia V5H 3Z7 Canada

Attention: Executive Vice-President, Corporate Development & Corporate Affairs and
General Counsel

Telecopy No.: (604) 437-8560

- (b) Notices or demands authorized or required by this Agreement to be given or made by TELUS or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with TELUS), or sent by facsimile or other form of recorded electronic communication, charges prepaid, and confirmed in writing, as follows:

Montreal Trust Company of Canada
#600, 530 – 8th Avenue SW
Calgary, Alberta T2P 3S8

Attention: Manager, Client Services, Stock Transfer Services

Telecopy No.: (403) 267-6529

- (c) Notices or demands authorized or required by this Agreement to be given or made by TELUS or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by certified mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of TELUS for its Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of TELUS and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

TELUS agrees that if TELUS fails to fulfill any of its obligations pursuant to this Agreement, then TELUS will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of TELUS or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than TELUS, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of TELUS, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date

This Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Date. In the event that this Agreement is not confirmed by a majority of the votes cast by holders of Voting Shares who vote in respect of confirmation of this agreement (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially owned by such Person) at TELUS' annual and special meeting of shareholders in 2000, then this Agreement and all outstanding Rights shall terminate and shall be void and of no further force and effect from the date that such event occurs.

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially owned by such Person) at the third and sixth annual meeting following TELUS' annual and special meeting of shareholders in 2000. If this agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to subsection 5.1(a) or (b) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.15.

5.16 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board for the purposes of this Agreement, in good faith, shall not subject the Board or any director of TELUS to any liability to the holders of the Rights.

5.17 Time of the Essence

Time shall be of the essence in this Agreement.

5.18 Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BCT.TELUS COMMUNICATIONS INC.

By: "Barry Baptie"

Title: Executive Vice President, Finance and Chief Financial Officer

By: "Kerry Day"

Title: Vice President and Corporate Secretary

MONTREAL TRUST COMPANY OF CANADA

Name: "Donna Chornawka"

Title: Senior Manager, Client Services

Name: "Marilyne Paynter"

Title: Senior Account Manager, Client Services

ATTACHMENT 1

BCT.TELUS COMMUNICATIONS INC. SHAREHOLDER RIGHTS PLAN AGREEMENT [FORM OF SERIES A RIGHTS CERTIFICATE]

Certificate No. _____ Series A Rights _____

THE SERIES A RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Series A Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of March 20, 2000, as the same may be further amended or supplemented from time to time, (the "Shareholder Rights Plan Agreement"), between BCT.TELUS Communications Inc., a company duly incorporated under the laws of British Columbia, and Montreal Trust Company of Canada, a trust company incorporated under the laws of Canada (the "Rights Agent") (which term shall include any successor Rights Agent under the Shareholder Rights Plan Agreement), to purchase from BCT.TELUS Communications Inc. at any time after the Separation Time (as such term is defined in the Shareholder Rights Plan Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Plan Agreement), one fully paid Common Share of BCT.TELUS Communications Inc. (a "Common Share") at the Exercise Price referred to below, upon presentation and surrender of this Series A Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the city of Calgary, Alberta or any other cities as may be designated by the Company from time to time. The Exercise Price shall initially be \$160 (Cdn.) per Series A Right and shall be subject to adjustment in certain events as provided in the Shareholder Rights Plan Agreement.

This Series A Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Plan Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Plan Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, BCT.TELUS Communications Inc. and the holders of the Series A Rights Certificates. Copies of the Shareholder Rights Plan Agreement are on file at the registered office of BCT.TELUS Communications Inc.

This Series A Rights Certificate, with or without other Series A Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Series A Rights Certificate or Series A Rights Certificates of like tenor evidencing an aggregate number of Series A Rights equal to the aggregate number of Series A Rights evidenced by the Series A Rights Certificate or Series A Rights Certificates surrendered. If this Series A Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Series A Rights Certificate or Series A Rights Certificates for the number of whole Series A Rights not exercised.

No holder of this Series A Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Plan Agreement or herein be construed to confer upon the holder hereof, as such, any of the Series A Rights of a shareholder of BCT.TELUS Communications Inc. or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Plan Agreement), or to receive dividends or subscription rights, or otherwise, until the Series A Rights evidenced by this Series A Rights Certificate shall have been exercised as provided in the Shareholder Rights Plan Agreement.

This Series A Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of BCT.TELUS Communications Inc. and its corporate seal.

Date: _____

BCT.TELUS COMMUNICATIONS INC.

By: _____

By: _____

Countersigned:

MONTREAL TRUST COMPANY OF CANADA

By: _____

Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns
and transfers unto _____

(Please print name and address of transferee.)

the Rights represented by this Series A Rights Certificate, together with all right, title and interest therein,
and does hereby irrevocably constitute and appoint _____,
as attorney, to transfer the within Rights on the books of BCT.TELUS Communications Inc., with full
power of substitution.

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular,
without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Chartered Bank, a Canadian trust company, a member of a
recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Series A Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature: _____

(To be attached to each Series A Rights Certificate.)

FORM OF ELECTION TO EXERCISE

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: BCT.TELUS Communications Inc. and Montreal Trust Company of Canada

The undersigned hereby irrevocably elects to exercise _____
_____ whole Rights represented by the attached Series A Rights
Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise
of such Rights and requests that certificates for such securities be issued in the name of:

Name

Address

City and Province

Social Insurance, Social Security or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Series A Rights Certificate, a new
Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Name

Address

City and Province

Social Insurance, Social Security or other taxpayer identification number.

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular,
without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Chartered Bank, a Canadian trust company, a member of a
recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Series A Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature: _____

(To be attached to each Series A Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election is not completed, BCT.TELUS Communications Inc. will deem the Beneficial owner of the Rights evidenced by this Series A Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

ATTACHMENT 2

BCT.TELUS COMMUNICATIONS INC. SHAREHOLDER RIGHTS PLAN AGREEMENT [FORM OF SERIES B RIGHTS CERTIFICATE]

Certificate No. _____ Series B Rights _____

THE SERIES B RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Series B Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of March 20, 2000, as the same may be further amended or supplemented from time to time, (the "Shareholder Rights Plan Agreement"), between BCT.TELUS Communications Inc., a company duly incorporated under the laws of British Columbia, and Montreal Trust Company of Canada, a trust company incorporated under the laws of Canada (the "Rights Agent") (which term shall include any successor Rights Agent under the Shareholder Rights Plan Agreement), to purchase from BCT.TELUS Communications Inc. at any time after the Separation Time (as such term is defined in the Shareholder Rights Plan Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Plan Agreement), one fully paid Non-Voting Share of BCT.TELUS Communications Inc. (a "Non-Voting Share") at the Exercise Price referred to below, upon presentation and surrender of this Series B Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the city of Calgary, Alberta or any other cities as may be designated by the Company from time to time. The Exercise Price shall initially be \$160 (Cdn.) per Series B Right and shall be subject to adjustment in certain events as provided in the Shareholder Rights Plan Agreement.

This Series B Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Plan Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Plan Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, BCT.TELUS Communications Inc. and the holders of the Series B Rights Certificates. Copies of the Shareholder Rights Plan Agreement are on file at the registered office of BCT.TELUS Communications Inc.

This Series B Rights Certificate, with or without other Series B Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Series B Rights Certificate or Series B Rights Certificates of like tenor evidencing an aggregate number of Series B Rights equal to the aggregate number of Series B Rights evidenced by the Series B Rights Certificate or Series B Rights Certificates surrendered. If this Series B Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Series B Rights Certificate or Series B Rights Certificates for the number of whole Series B Rights not exercised.

No holder of this Series B Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Non-Voting Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Plan Agreement or herein be construed to confer upon the holder hereof, as such, any of the Series B Rights of a shareholder of BCT.TELUS Communications Inc. or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Plan Agreement), or to receive dividends or subscription rights, or otherwise, until the Series B Rights evidenced by this Series B Rights Certificate shall have been exercised as provided in the Shareholder Rights Plan Agreement.

This Series B Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of BCT.TELUS Communications Inc. and its corporate seal.

Date: _____

BCT.TELUS COMMUNICATIONS INC.

By: _____

By: _____

Countersigned:

MONTREAL TRUST COMPANY OF CANADA

By: _____

Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Series B Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns
and transfers unto _____

(Please print name and address of transferee.)

the Rights represented by this Series B Rights Certificate, together with all right, title and interest therein,
and does hereby irrevocably constitute and appoint _____,
as attorney, to transfer the within Rights on the books of BCT.TELUS Communications Inc., with full
power of substitution.

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular,
without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Chartered Bank, a Canadian trust company, a member of a
recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Series B Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature: _____

(To be attached to each Rights Certificate.)

FORM OF ELECTION TO EXERCISE

(To be exercised by the registered holder if such holder desires to exercise the Series B Rights Certificate.)

TO: BCT.TELUS Communications Inc. and Montreal Trust Company of Canada

The undersigned hereby irrevocably elects to exercise _____
_____ whole Rights represented by the attached Series B Rights
Certificate to purchase the Non-Voting Shares or other securities, if applicable, issuable upon the
exercise of such Rights and requests that certificates for such securities be issued in the name of:

Name

Address

City and Province

Social Insurance, Social Security or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Series B Rights Certificate, a new
Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Name

Address

City and Province

Social Insurance, Social Security or other taxpayer identification number.

Dated: _____

Signature: _____

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular,
without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Chartered Bank, a Canadian trust company, a member of a
recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Series B Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature: _____

(To be attached to each Series B Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election is not completed, BCT.TELUS Communications Inc. will deem the Beneficial owner of the Rights evidenced by this Series B Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.



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